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The Nation's Business

Political Disclosures Aroused Interest

Premier King is Sick Man

Expected He Will Go to Washington

Tribute to Taschereau

SOME recent political disclosures in The Financial Post aroused considerable interest in the daily press and political circles. About fifty papers made references to the forecasts contained therein.

It will be recalled that the gossip then presented was to the effect that the prime minister might go to Washington to succeed Massey; that there would be a cabinet shake-up in which Robb might become premier. Dunning would become chairman of the Canadian National Railways.

The reaction of the press to these disclosures in The Financial Post, revealing information as to movements afoot in high Liberal circles, that had previously been sedulously concealed, was a recognition of the surprising character of the forecasts made.

* * *

A NUMBER of papers, chiefly French-Canadian papers, openly accused The Post of creating summer fiction; of having its little jest at the expense of its readers; of suffering from a brain-wave. This was to be expected. Political changes are always upsetting and he who first bears news of them is likely to be blamed for the upsetting character of his revelations. But with the exceptions of the papers referred to the press of the country, including several leading French-Canadian papers, generally speaking, ran the news with considerable prominence but without comment. Even strong Liberal papers ran the forecast of Premier King's impending resignation, some of them waiting a few days to do so, apparently awaiting an opportunity to check up at Ottawa on either the accuracy of the forecast or the expediency of giving the news further currency.

* * *

THE prime minister who has not been able to attend to his full duties for several months, will now, it is announced take a complete rest at his country place for five or six weeks. Not only will no public business be brought to him but he will be inaccessible to ministers and secretaries.

The fact is that Mr. King is a very sick man. His condition is causing his friends great anxiety. Some go so far as to say that he may not again appear in the leadership in the House. The worries following his defeat in Parliament are said to be responsible.

* * *

THERE is no gainsaying the fact that Mr. King is a hard and conscientious worker and takes little exercise or recreation. And ever since his return to office he has been carrying on amidst great difficulties and under a cloud of uncertainty as to his future.

Should Premier King go to Washington, as he would like and as is expected, Vincent Massey would probably go to Geneva, where Canada will shortly have a full-fledged minister, if League of Nations advocates in Canada have their way. Mr. Massey would then be in a position to succeed Mr. Larkin in London when the latter retires. Next in line for the Geneva post would be Major George W. Stephens of Montreal, who recently returned from the Saar with another important public success to his credit. Hon. James Robb would become premier. Hon. Charles Dunning would assume the $75,000 a year presidency of the Canadian National Railways and Hon. Ernest Lapointe would go to the Supreme Court. A place might be found for Mr. Larkin in the cabinet, possibly as Minister of Railways.

* * *

HIGH tribute is paid Premier Taschereau of Quebec by La Presse, which congratulates him on the success of his economic policy.

"Statesmen rarely obtain the satisfaction which the Hon. Mr. Taschereau must have experienced the other day when he was invited to inaugurate at Drummondville the new industry that English capitalists have established for the fabrication of artificial silk. The Quebec prime minister's satisfaction would be found in the contemplation of the realization of his policy in conditions which are manifestly and convincingly favorable. Mr. Taschereau's predecessors may have inaugurated the policy of the development of our water powers, but to him belongs the merit of having comprehended, proclaimed and brought about the triumph of the master idea, the organic idea of our provincial economic policy based on the sane exploitation of our hydraulic wealth—the entire, out-and-out conservation, for the sole benefit and profit of our province, of all electric energy procured by the harnessing of Quebec's water powers. What has been realized at Drummondville has equally benefited many other regions in the province, from the Gatineau to Gaspe. The occasion is too propitious to be allowed to pass without rendering, in the name of the province as a whole, the tribute of acknowledgment Premier Taschereau merits at the hands of all true patriots for his intelligent, courageous and profitable economic policy. We salute him as the benefactor of his province."

CANADIAN HOLDERS LIKELY TO CONTEST C. N. R. AGREEMENT

Settlement of 94 on Par of 100 Meets With Disapproval

DEMAND ACCOUNTING

New Scheme Fails to Take Into Account Interest Unpaid Since End of 1914

Redemption of the Canadian Northern Railway income debenture stock on May 6, 1928, at 94 for stock of 100 par, by the Canadian National Railways, subject to ratification by the Federal Government, has met with the approval of the English shareholders' committee. Canadian holders of the stock, of which there ar now a large number, do not feel satisfied with the basis of settlement and it is likely that the matter will be further contested before all parties are satisfied.

Under the new agreement, the Government secures the discharge of the mortgage (income debenture stock charges) ranking in front of that covering its own advances and also secures release from the obligation to maintain separate accounts. The shareholders, on the other hand, receive official recognition of the standing of their stock, redemption at 6 points below par by next May, and no accounting of earnings since 1914, upon which interest payments are based.

Blame English Committee

The neglect of the English committee in demanding an accounting of back earnings before arriving at any basis of settlement, rankles with the Canadian holders. This has been one of the most contentious points in the negotiations which have spread over a number of years.

Under the terms of the trust deed, which these debentures were issued between 1910 and 1912, it is set forth that the management would report to the shareholders earnings of the company every six months, as the interest charges were paid only when earned. This obligation was carried out by the Canadian Northern up to 1914, since then no interest has been paid, making total potential arrears of about 65 per cent.

With the amalgamations and changes in corporate structure brought about since that date, finally ending in the absorption of the Canadian Northern into the Canadian National system, accounts have not been kept separately. No one appears to know what the earnings of the Canadian Northern Railway have been in the last 13 years.

Fail to Secure Accounting

Efforts to have an accounting have proved futile. It has been pointed out to the shareholders that under the present system of bookkeeping it is impossible to arrive at even an approximate idea of earnings. In this, the railway has failed to live up to the terms of the trust deed.

The shareholders have strongly contended that earnings of the Canadian Northern proper have been sufficient to pay interest charges on the income debentures. No attempt has been made by the Government to disprove this statement.

Before the start of the negotiations, which led up to the last agreement, the committee announced that it was going to ask for an accounting of back earnings before agreeing to any scheme of settlement in regard to the principal which matures May 6, 1930. They have evidently failed to do this, and so far no word has been received on this side as to why this point was not settled.

Meantime, action of the Canadian shareholders will be determined at a general meeting to be called in the near future.

Canada Northern Power Construction Work Progressing

From Our Own Correspondent

MONTREAL. — Work is stadily progressing on the erection of the additional unit at the Canada Northern Power Company's Quinze river power plant. The plant is located at the Quinze river inlet to Lake Timiskaming.

The new unit which will generate 20,000 horsepower will bring the total capacity of the plant up to 40,000 h.p., and the total production of the different power units of the Canada Northern Power Company up to 96,500 h.p.

Work on the new addition to the Quinze River power station was begun immediately after the breaking up of the ice in the spring. Much of the preliminary work has been completed, and the contractors have now progressed to the concrete pouring stage. With this complete, the installation of generators will begin. Every effort is being made to complete as much of the work as possible before the cold weather sets in. The Power Corporation of Canada which has the construction contract, has undertaken to complete the work by July, 1928.

Alarmists Would Ban Even Desirable European Migrants

True There Has Been Big Increase in European Immigration, But Much of It is Highly Desirable

From Our Own Correspondent.

OTTAWA.—The press of Canada has suddently awakened to the fact that British immigration to Canada represents less than half—in fact little more than a third—of our total immigration. Alarmed editors have taken the situation as a text and are joining with sundry public speakers in demanding that the door be closed on immigration from countries other than British until the number of foreign-born immigrants are less than the number of British immigrants.

Two things must not be forgotten in the discussion. One is that all foreign immigration is not undesirable immigration. There are many countries not British that produce exactly the type of manhood and womanhood Canada needs. Secondly, it might be suggested that the way to restore the balance between British and non-British immigration is not to keep out the foreigners, but to take aggressive steps to increase the number of Britishers coming in.

Our Non-British Immigrants

The situation upon which the alarmists base their excitement is undoubtedly as they present it. Statistics on immigration into Canada show that in the past two years an extraordinary increase has taken place in the numbers coming from Continental Europe.

An examination of immigration statistics shows that prior to 1926 there have been but six years in which the number of non-British immigrants was greater than the British. These years were from 1898 to 1902 inclusive, and in 1918. In each of these years, however, there was particularly heavy immigration from the United States to Canada, so that the slight disparity between British and non-British was really of no importance.

Some From Non-Preferred Countries

To-day, however, the situation is entirely changed. The non-British immigration not only exceeds the British. It exceeds the British and United States immigration combined. In other words, more than one half of the immigrants coming to Canada are from Continental Europe, many of them from non-preferred countries.

Countries are placed upon the non-preferred list for many reasons. Sometimes it is because their nationals do not take easily to agriculture, and Canada needs agricultural workers now. Again, and more frequently, it is because of the political conditions prevailing in these countries. Many of them are hot beds of communism, and the immigrants come to Canada and are quickly absorbed in the communist movement in this country. The strength of the communists in Canada frequently is underestimated. Careful inquiry from government departments in close touch with the situation reveals the fact that there are upwards of 50,000 communists in the Dominion. Their headquarters are in Winnipeg and their greatest strength is in the western provinces where their numbers are constantly recruited from the immigrants. They have erected in Winnipeg a temple which cost $100,000. They own and publish newspapers and are fully equipped to spread their propaganda.

In view of these facts a sudden increase in immigration from non-preferred countries may cause alarm. Looking back over the statistics it is difficult to trace any general movement in the immigration. How-

(Continued on page 13)

Did Eaton's Buy Big Calgary Site?

By Staff Editor

CALGARY.—The T. Eaton Company have opened in Calgary their second groceteria.

A large real estate transaction that has just been completed has been linked by business gossip with the T. Eaton Company. A whole block and a half block on the opposite side of the road have been accquired and application is being made to the Railway Board for permission to connect the two with a tunnel. The smaller lot is on a railway siding. The identity of the purchaser has not been revealed, but every one around Calgary thinks it's Eatons.

The land is in the centre of the city.

SAY T. EATON CO. WILL ADD STORES THROUGH WEST

Have Bought Some Sites in Leading Prairie Cities

The T. Eaton Company has just completed a renovation of its store exterior in Winnipeg. The entire front has been changed. Marble and cut stone to the top of the first story has been substituted for brick, the show windows have been changed materially and the ensemble is now very much more ornate than was the case in the past.

Rumors fly thick and fast as to other Eaton changes in the West, but so far as the officials of the company are concerned are unsubstantiated. It is a fact, however, that the company is looking for large expansion in the West. Already many western cities have Eaton Groceterias. Some cities, like Regina have a wider scope than the groceteria and some are anticipating developments.

In most cases the mail order business has been able to compete very successfully with any local institution but it has not been quite so successful where the chain stores have crept in, notably in men's so-called "made to measure clothing." To combat this it is believed the big mail order house will probably open up a chain of stores in a dozen or more western cities which, while they will not carry the full departmental store stock will specialize in men's clothing, groceries and furniture. Two of their high officials this spring made a tour lasting several weeks and embracing all the larger cities of the

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Gigantic Bakery Merger in Canada Now Hinted

Canada Bread, Northern Bakeries and Ontario Bakeries Mentioned in Big Deal Pending

Negotiations are in process which may lead to a merger of several of the leading bakeries of Canada.

Northern Bakeries has sold up from 30 to above 40 in the last week. Canadian Bakeries, after a dull experience in the market, also has sold to 40. Canada Bread has sold to 170.

It is understood that Ontario Bakeries also have been approached with a view to entering a merger. This company controls a group of highly profitable bakeries in Ontario cities.

Two Competitors

Canada Bread and Northern Bakeries are close rivals for the place of leading producer of bread in Canada. Canada Bread controlled by Maple Leaf Milling Co. Canadian Bakeries, which operates in the West, also is controlled by Maple Leaf Milling.

It was at first reported that Ogilvie Flour Mills was negotiating for Northern Bakeries. Then it was asserted that Maple Leaf Milling was the purchaser. Both these reports brought quasi-official denials.

Canada Bread is controlled by Maple Leaf Milling, but a deal to take in a competitor in the baking business would not necessarily involve the parent company.

It has not been learned definitely where the initial overtures in the negotiations now taking place originated.

Before the present group acquired control of Northern Bakeries from Continental Baking, Inc., it is understood that the Ogilvie Milling Co. had made a bid for the property.

It is thought that the property is worth more than when the present group assumed control several months ago. The business has shown a gratifying capacity for expansion and economies of administration and active management have resulted in the attainment of a highly favorable position.

Arnold's May Pay Two Dividends at Year End

Although directors of Arnold Brothers have decided to "delay" payment of the current dividend on the 7 per cent. preferred stock, it is anticipated that two dividends will be paid at the end of the year thus preventing any large accretion of arrears and putting the stock back on a definite dividend basis again.

Reasons given by the directors of the deferring of the dividend, and outlined to shareholders in a letter, are to the effect that the large expenses in connection with the reconstruction of the Martin Stores, taken over last spring together with the natural lull in summer business, combined to rob the company of its expected earning power. As the dividend was not earned it was decided that it should not be paid. The company has not been in business long enough to have built up dividend reserves.

The letter points out that sales for the week to September 4 were 21½ per cent. higher than in the week to September 10. A good fall and winter business is expected, which can be handled without increase in overhead

(Continued on page 9)

Bathurst Company's Earnings Increase

From Our Own Correspondent

MONTREAL.—From authoritative sources The Financial Post learns that the earnings of the Bathurst Company during the first nine months of the current year show an increase as compared with the corresponding period of 1926. In 1926 the profits of the company amounted to $853,437 applicable to interest, depreciation, depletion and income tax. Interest charges on the funded debt last year amounted to but $263,307.

As the newsprint market and the sulphite market have been hesitant this year, the fact that the company's earnings have increased without any increase in its manufacturing capacity may be regarded as a very satisfactory indication of its progress. The daily output of the mill consists of 65 tons of newsprint, 50 tons of sulphite and 70 tons of kraft.

STEPS DOWN

FRANK P. JONES, President and Managing Director of Canada Cement Company who plans to retire from actual direction of the company.

Frank P. Jones Quits Canada Cement Company

MONTREAL.—When the Canada Cement Company passes into the hands of new interests, Frank P. Jones will relinquish his position as the active administrative head of the company. It seems probable though that his experience in the industry will be utilized by the new owners of the assets of the company and that he will be asked to join the new board when it is formed.

It is understood that the organization of the company will remain unchanged that there will be no change in the present policies. Prices for the output will not be increased and as far as can be learnt here, there is no intention of the new owners to absorb any of the very few small independent producers in the Dominion.

Will Trust and Loan Stocks Follow Bank, Insurance, Shares Up?

Only Moderate Advances in Stocks of Loaning Companies

WIDE TRUST FIELD

Because of Broad and Diversified Field of Business of Trust Companies, Shares Are Attractive

TRUST COMPANIES

	Jan. 1	Approx. Present Price
National Trust	255	255x
Toronto General Trust	220	247
Union Trust	104	115
British Mortgage & Trust	200†	202†
Capital Trust	..	60
Trusts and Guarantee	82	90†
Chartered Trust	75	83
Sherbrooke Trust	..	110†
Sterling Trust	75†	85†
Waterloo Trust	..	100†

LOAN COMPANIES

	Jan. 1	Now
Canada Landed	94	115
Canada Permanent	216	230
Huron & Erie	139	149
Ontario Loan	113	120
Toronto Mortgage	100	106
Lambton Loan	..	51†
London Loan	44†	48
Midland Loan	..	15†
People's Loan	74	75†
Saskatchewan Mortgage	..	30†

†Bid prices. xEx-rights worth $25.

Sensational advances in banking and insurance shares have marked the Canadian stock markets, during the current year. Advances have also been noted in the shares of the trust and loan companies. In the main, however, the trust company and the loan company stocks have lagged behind the insurance and banking stocks. This has led to some speculation as to whether attention is not likely to be directed more keenly towards the trust and loan group among the so-called financial stocks, dealt in on the exchanges and over the counter.

So far, it may be noted, there is no evidence of American bidding for these shares although the United States was a large factor in the banking and insurance advance.

Why Insurance Shares Are Up

Insurance stocks have advanced because of the promise of wonderful prosperity in Canada. The life insurance companies in particular stand to benefit from this because they will be able to do an increasingly large volume of business with small or no capital increases and the very small share of earnings that can be devoted to the payment of dividends to shareholders will nevertheless loom large as a percentage of capital outstanding. Moreover, the insurance companies are becoming modified investment trusts and will benefit in the appreciation of their assets as other classes of securities advance.

Bank Stocks in Big Advance

Bank stocks have advanced, also because of the growing feeling that Canadian business will be on an expansive scale for some years to come. Capital of the banks, as of the insurance companies, represents only a

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Outlook Favorable During Last Quarter of Current Year
Increase in Government Revenue Foreshadows Tax Reduction
Automobile Production Advances After Temporary Lull
September Report Shows Continued Gain in Employment
Distribution and Consumption of Merchandise Increases

LACK of any serious setback or the possibility of such in the months immediately ahead, lends confidence to the belief that volume and value of business in Canada this year will exceed that of 1926.

In view of the decline in values and keener competition in all phases of business, this prospect is particularly noteworthy. Last year at this time production had in some directions fallen away from that of a month before, but present indications are for a quickening in the pace of consumption and production.

If there was the possibility of diminishing purchasing power, then such optimism would not be warranted. In the fall of 1926 purchases, largely pursued on the instalment plan, had absorbed beforehand more than usual of the present year's accruing income. Income so far has been greater than expected and it is reasonable to assume that we will see another wave of heavy commitments such as those which characterized the late months of 1926.

External Trade Situation

The greater physical volume of production is reflected in external trade. The aggregate value of imports and exports during the past twelve months is above the figures of the preceding year. Exports have not increased to any large extent, but on the other hand, imports have advanced substantially. The declining favorable balance of trade has drawn marked attention. In view of the greater productive activity at home, it is not surprising that purchases abroad should be on the increase. At the same time, other nations have not experienced the same prosperity as Canada and consequently are not increasing their imports of Canadian products.

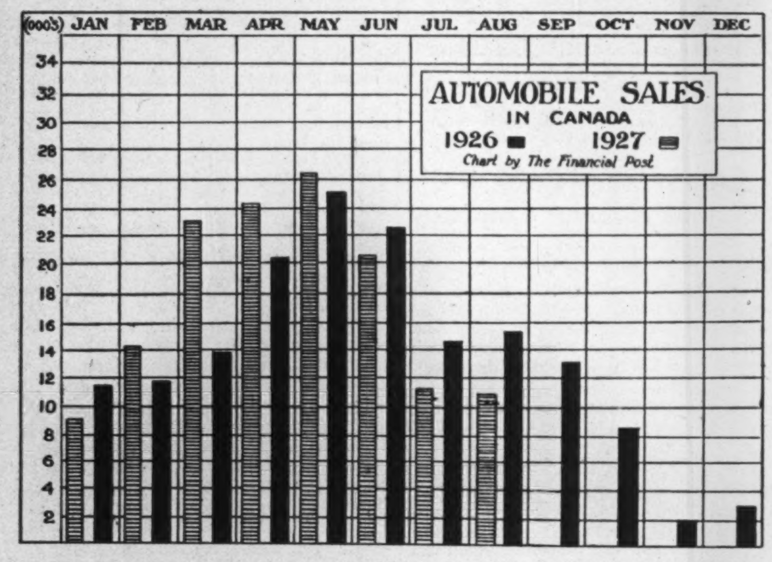
The fact has also been overlooked that government revenues have rapidly increased as a result of the greater imports. Duty collected on imports in the three months ended June last, for example, totalled $42,564,127, as compared with $38,096,906, and $33,499,703 in the corresponding periods of 1926 and 1925, respectively. If the present ratio of increase is maintained during the balance of the current fiscal year, then it is quite likely that the government will make a material reduction in taxation to the benefit of business in general.

Motor Car Output Larger

The expected increase in automobile production in August over that of July took place. Although the output of 12,526 cars was 18 per cent. under the 15,261 cars reported for August of a year ago, the situation is such that the decline has no unfavorable significance. During the past two months, manufacturers have been engaged in changing models. This is a task which entails considerable work and one not conducive to setting production records.

It is not unlikely that the output in September will set a new high mark for that month. Operations will be curtailed to some extent by the holding up in public demand until the new Ford models appear, but of the large number of prospective purchasers of motor cars, the majority will be in the market for high priced cars. Insofar as the past eight months are concerned, the apparent consumption of automobiles in Canada has set a record. It is estimated that 138,271 units have been marketed, as compared with 132,009 in the corresponding period of 1926.

Renewed activity in the automobile industry has had a beneficial effect on other allied manufactures. Primary iron and steel producers have felt the improvement and production of these two items advanced very substantially during the past month. Accessory manufactures have also been experiencing exceptionally good business. One of the largest companies in this field reports that while 1927 has been up to their expectations in every way, they expect that next year's business will be the best ever recorded.



Although apparent consumption of automobiles in Canada has declined in the last three months, aggregate sales since the beginning of the year total 138,271, an increase of 6.262 when compared with the same period a year ago.

Employment Continues to Gain

One of the best indications of the greater volume of business being handled this year in Canada, is the consistent gains recorded in volume of employment. Since the beginning of the year, each monthly index has shown a gain of five points or more over the same month last year. This has been one of the most consistent gains recorded since the index was first compiled in January, 1920. Its effect on the business community can be readily understood, by reason of the fact that the purchasing power of the working man has been advancing steadily instead of suffering reactions from time to time as has been the case in other years.

The index number, standing at 109.7 at the beginning of September, is higher than in any other month since 1920. The increase was larger than that noted on the same day last year, and greatly exceeded the gain indicated on the same date in 1925. If employment follows the trend usually indicated during the autumn, further expansion may be expected. Logging and transportation showed the most pronounced gains, but there were also important advances in trade, services, building and mining. On the other hand, manufactures recorded a slight falling off.

Quebec, Ontario and the Prairie Provinces reported improvement in the situation, while employment in the Maritime Provinces and British Columbia declined moderately.

Goods Movement Pronounced

Movement of merchandise during the 37th week of the current year continued to exceed last year's figures. It has been noticeable that loadings in this class have been uniform in both Eastern and Western Canada. Merchants have been buying their supplies as requirements demand and this has had the effect of levelling the high peaks in merchandise distribution so noticeable before and during the war.

While grain shipments have become heavier in the past two weeks, they are not moving as freely as last year. The late start in sowing the crops and consequent delay in cutting and threshing has been responsible. The next six weeks should see a sharp upward movement in car loadings. A noteworthy feature of car loadings of revenue freight in the 37th week was the gain in livestock, aggregate loadings of which for the first time this year exceeded those of 1926.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (Aug.)	63,234	58,780	517,844	496,876
Steel, tons (Aug.)	77,479	45,674	620,039	541,705
Newsprint, cwts. (Aug.)	180,187	162,545	....	....
Automobiles (Aug.)	12,526	15,261	150,321	155,346
Boots and shoes, pair (July)	1,344,232	1,485,225	10,191,993	9,931,670
Flour, bbls. (June)	1,314,212	....	8,105,839	9,024,000
Construction—				
Contracts awarded (Aug.)	$29,881,000	$31,696,000	$272,986,000	$260,104,000
Building Permits (Aug.)	$29,651,888	$11,672,599	$127,609,318	$109,211,942
Labor—Employment index (Aug.)	....	....	109.7	104.9
Transportation—				
Car loadings (to Sept. 17)	70,483	72,051	2,262,639	2,159,226
C.P.R. gross (July)	16,028,713	16,598,421	104,871,277	101,826,207
C.P.R. net (July)	3,126,786	3,921,135	16,139,086	17,877,823
C.N.R. gross (Aug.)	21,670,324	21,059,374	172,401,492	167,799,279
C.N.R. net (Aug.)	4,094,298	4,027,133	20,632,067	23,049,875
Population—				
Emigration (July)	7,180	......	81,506	......
Immigration (July)	12,288	16,227	89,722	64,531
Trade—(Aug.)—				
Imports	$99,348,340	$89,669,575	$724,585,923	$665,220,034
Exports	$94,216,194	$90,621,419	$736,035,397	$806,569,372
Imports of key products (July)—				
Rubber, lbs.	4,710,102	......(12 mos.)	56,078,082	45,509,551
Cotton, lbs.	8,483,874	......(12 mos.)	142,872,077	133,790,399
Sugar, $	4,027,802	......(12 mos.)	42,054,313	84,198,072
Petroleum (gal.)	70,304,637	......(12 mos.)	756,649,175	613,795,257
Coke, tons (July)	58,011	......(12 mos.)	813,966	1,033,398
Exports of key products (July)—				
Newsprint (cwt.)	2,810,859	......(12 mos.)	36,090,901	31,710,901
Automobiles (pass.) (No.) (July)	3,289	4,158	39,513	42,991
Wheat, bus. (July)	6,620,131	16,306,486	111,750,670	110,601,296
Wheat Flour, bbl. (July)	449,200	978,339	5,066,870	6,275,962
Finance—				
Failures, number (July)	110	140	1,000	994
Failures, liabilities (July)	$2,026,449	$2,352,078	$16,385,381	$16,546,913
Bank Debits (July)	$2,687,000,000	$2,424,000,000	$18,705,000,000	$16,965,000,000
Bond sales (Aug.)	$7,701,015	$13,894,036	$324,464,800	$414,015,862
Stock prices index (Sept. 17)	....	....	430.1	215.3
Insurance sales (Aug.)	$38,360,000	$36,010,000	$325,198,000	$304,928,000
Wholesale prices (1913-100)—				
General index (Aug.)	....	......	152.3	154.0
Iron (July)	....	......	143.6	143.7
Cotton	....	......	143.6	153.0
Grains	....	...	181.6	171.4
Cattle	....	.....	123.5	109.0
Rubber	....	....	57.7	65.8

Agricultural Survey

Threshing is Delayed
Wheat Quality Affected
Livestock Sales Centred
Fruit Agency in London

Wintry weather over the greater part of the Prairie Provinces last week-end caused a hold-up in threshing operations. Frost and snow were experienced at a number of points. Practically all grain has been cut and no damage is to be feared from frost. Some loss in quality may result as a account of unsatisfactory weather conditions in the past week.

Although opinion is still divided as regards the ultimate yield of the crops it has come to be agreed that the crop will be one of the largest ever recorded—totaling at least 400,000,000 bushels. On the other hand, quality of the grain will likely be lower than last year. Forced growth during the summer months and recent wet weather, has impaired the grade. Wheat prices have strengthened, however, and the loss in quality will be offset by the better values.

Further reports from other wheat-producing countries indicate that the total world yield will be in excess of last year's figures. Germany now expects a wheat crop of 113,648,000 bushels, compared with 95,429,000 bushels in 1926. Rye production in the same country is placed at 286,000,000 bushels, against 252,191,000 last year and barley production 122,724,000, against 113,106,000 bushels.

The American spring wheat crop will probably be less than last year, although this will be offset by the larger winter crop. The amount available for export is still somewhat indefinite, but it will not exceed last year's total. The condition of the growing wheat crop in Argentina is good, although there has been a lack of rain.

Livestock Demand Better

The livestock industry has not been overly prosperous, but of late it has taken a new turn. A central association has been formed under the name of Central Livestock Co-operative, Ltd., which will act as a co-ordinating agency for the three western pools. This body will have control and direction of the central marketing policy.

Since the British labor strike a year ago last spring, the export market has been off. Recently, however, there have been signs of improvement. Domestic demand during August was strong and steady. Good prices were paid. Western producers benefitted by a keener demand from producers and feeders in Ontario. A generous number of western stores were sold off in eastern markets and as well a fair volume was absorbed in direct shipments. The feature of the situation was the noticeably keen export demand, particularly for respectable sorts of stockers and feeders.

Fruit Marketing Changes

A similar state of affairs exist in fruit marketing. Lack of direct supervision of receipts in the British market, has not been at all conducive to good returns nor effective distribution. Ontario has taken lead to rectify this situation and already has appointed an experienced representative to overseas shipments from the province in the Old Country. Arrangements are also being made to establish direct connections with European importers.

While the crop in Ontario is again light, this condition is general over the American continent. Prospects are for very great reduction in exports with much better prices than 1926-27 for winter fruit. An attempt will also be made to market Ontario peaches in London.

Business Conditions in United States

Measured by the volume of check payments, business in the United States during the week ended September 17 was higher than in either the preceding week or the corresponding week of the previous year, according to the weekly statement of the Department of Commerce. Wholesale prices continued their recovery, but were lower than a year ago. Prices for cotton averaged lower than in the previous week, but were substantially higher than last year. Wheat prices were lower than a year ago, while the prices of iron and steel, although showing no change from the previous week, were also lower than a year ago. The value of new building contracts awarded in thirty-seven states was lower than in either the preceding week or the corresponding week of 1926.

Loans and discounts of Federal reserve member banks expanded, being higher also than in the corresponding week a year earlier. Prices of stocks listed on the New York Stock Exchange showed little change from the previous week, but were substantially higher than in the corresponding period of last year. Interest rates on call loans averaged lower than in either the previous week or the same week a year ago. Bond prices, showing no change from the previous week, were higher than in the corresponding week of last year. Interest rates on time money were stronger than in the previous week, but averaged lower than in the same week of 1926. The Federal reserve ratio averaged higher than in either the preceding week or the corresponding week of last year. Business failures were more numerous than in either comparative period.

Output of bituminous coal during the week ended September 10 was lower than in either the previous week or the same week of last year. The production of lumber during the same week showed a decline from the preceding week, but was higher than a year ago. The output of beehive coke was larger than in the previous week, but substantially smaller than in the same week of 1926. Petroleum production receded slightly from the preceding week, but was still well above the output of a year earlier. Receipts of wheat at primary markets were higher than a year ago, while receipts of cattle and hogs showed declines.

Cornwall Office Opened

Montreal.—The opening of a new branch office at Cornwall, Ontario, is announced by the firm of MacDougall & MacDougall, stock brokers. H. W. Snetsinger will be the manager of the new office. A direct wire service will be maintained to Montreal and New York.

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FIVE MILLIONS TO AID BRITISH YOUTH TAKE UP FARMING

Ambitious Scheme Covering Ten Years Starts in April Next

On April 1, 1928, a new and extremely broad scheme comes into effect under an agreement between the British and Canadian Governments by which they propose to expend jointly a total sum of five million dollars in the next ten years to assist British youth to take up farming in Canada on their own account. The assistance will apply to all youth who come to Canada as farm workers from the British Isles between the ages of 14 and 20 years through the various schemes in operation. Whereas, previously, these young men have had to depend upon their own efforts almost entirely to launch out on their own account, they will now, at the age of twenty-one, provided they have saved approximately $500, be eligible for assistance up to an amount not exceeding $2,500 for the purchase of a farm and for stock and equipment.

Anticipates Large Movement

Canada is staking a good deal on the future of these youths, and anticipates their movement in ever increasing numbers. The transfer to Canadian farm homes of under-privileged boys by various benevolent societies which have been active so long and been responsible for placing about 84,000 children in the Dominion, will continue, but the various schemes to which reference is made follow a different idea, that of moving youth when education has been completed, physically fit for ordinary farm work, and with a view to their obtaining farms of their own within a few years.

The Government scheme above referred to provides for the co-operation of the provincial governments, and all provinces are expected shortly to take advantage of it and provide farms for initial training and the clearance of British youth. Some have in fact already done so and others given assurance of following the example set. Ontario has been carrying out such training for some time and placing British youth on farms and has now undertaken to pay one-third of the passage expenses of approved boys from the Old Country. Alberta also, through its Hoadley Scheme, has been training boys of sound education at its agricultural colleges in the winter months and placing them in selected farm employment in the spring. All these will be eligible to take advantage of the new scheme of assistance in farm establishment.

For public and secondary school boys there is the scheme jointly operated by the Canadian Pacific Railway and Macdonald Agricultural College whereby such youth are given a valuable practical and theoretical farm training under expert and sympathetic supervision and assured of advice when launching out into farm ownership. These, where it is required, will be eligible for the monetary assistance. For another class of boy there is the British Colonization and Immigration Association, which has, for the past four years, been moving hundreds of boys annually to farms in Quebec and Ontario. This organization has now reached an agreement with the Overseas Settlement Committee whereby it plans to expand its activities considerably. A training farm is to be secured in the East to which larger numbers of boys will be brought while placement activities will be extended to the western provinces.

Train in England

These schemes all have regard to training in Canada while others involve preliminary preparation in the Old Country. The two farms of the British Ministry of Labor which, in the past two years, have sent groups of trainees to Canada, will, there is every expectation by reason of the success which has attended them, be added to and the numbers of trained farm workers to come to Canada each year be substantially increased. The Salvation Army in 1927 has sent over 400 youths, trained in agriculture, to Canada from its farm in Sussex, and had to refuse many applications. Next year it plans to expand and to train many more young men for similar movement to Canada. The Cossar Farms, which, on a smaller scale, have been doing a very valuable work on both sides of the Atlantic, have been incorporated with a view to elaborating the work of placing British youth in Canadian farm employment.

Both Canada and Britain can view with the greatest satisfaction the work which is being accomplished. The Old Country is relieved of the increasingly difficult task of finding suitable careers for boys embarking upon their lifework. Canada receives them at the most valuable time when they are receptive, enthusiastic, plastic, capable of immediate assimilation, ready to sink deep roots. As long as British youth continues to exhibit an interest in the romantic pursuit of the land in Canada, which will be as long as its spirit is what it is, the Dominion need have no apprehension over the loss of the British preponderance in its agricultural population.

Vancouver Mortgage Arranged at 5½%

From Our Own Correspondent

VANCOUVER.—For the first time since the war a loan has been made on Granville Street real estate, the main commercial artery of Vancouver, at 5½ per cent.

The New York Life Insurance Company is reported to have loaned $100,000 with a Granville Street building as security. Previously the rate had been about 6 per cent. on Granville and Hastings Street property. During the period of high money, 7½ per cent. was asked.

TELEPHONE RATES ADVANCE OVER 1926

Recent Increase in Quebec and Ontario Forces Index Up

Increased telephone rates, granted by the Board of Railway Commissioners to the Bell Telephone Co., and applying in particular to the provinces of Ontario and Quebec, affected the index rate of 'phone rates for the Dominion. Index numbers of domestic telephone charges in 148 urban centres of the Dominion, computed by the Bureau of Statistics, show that rates in 1927 are higher than 1926 by about 8½ points. The index numbers for Canada as a whole, on the basis of 1913 equalling 100, are 120.2 for 1926, and 128.8 for 1927.

Since 1913 provincial index numbers show the smallest rise in British Columbia and the greatest in Alberta, the index for the former being 109.6 in 1927, and for the latter 169.4. It should be pointed out, however, that all provinces with the exception of Ontario and Quebec, report no changes in rates since 1926.

Average rates range from $2.17 to $3.12 per month for the typical telephones used for domestic purposes in each centre. The Dominion average is $2.59. Provincial averages are: Prince Edward Island, $2.25 per month; Nova Scotia $2.43; New Brunswick, $2.75; Quebec, $2.67; Ontario, $2.56; Manitoba, $3.12; Saskatchewan, $2.56; Alberta, $2.81, and British Columbia, $2.17.

Index numbers of business telephone charges for the same 148 urban centres were also upward in 1927. The Dominion index is 146.8 as compared with 123.6 in 1925, and 124.0 in 1926. This increase was due to higher rates in Quebec and Ontario, the index in the former rising from 114.3 in 1926 to 149.3 in 1927, and in the latter from 123.6 to 159.4. In other provinces the index numbers are as follows: Prince Edward Island, 122.0; Nova Scotia, 164.1; New Brunswick, 152.3; Manitoba, 31.2; Saskatchewan, 128.2; Alberta, 169.1, and British Columbia, 118.2.

Average rates for ordinary business desk telephones range from $3.67 to $6.75 per month. The Dominion average is $6.17. Provincial averages are: Prince Edward Island, $3.67; Nova Scotia, $5.81; New Brunswick, $5.39; Quebec, $6.48; Ontario, $6.01; Manitoba, $6.69; Saskatchewan, $3.96; Alberta, $5.63, and British Columbia, $6.75.

It should be remembered in comparing these rates that among the factors affecting the various rates one of outstanding importance is the size of the centre concerned. In large cities rates are higher because of increased complexity of plant and equipment and because the number of calls per telephone is greater than for smaller cities and towns.

EXPORT TRADE IN SUGAR PRODUCTS ON THE INCREASE

Confectionery and Maple Products Outstanding Items

Sugar manufactured in the Dominion during the first half of the current year totaled 415,563,064 pounds, compared with 443,579,525 pounds in the corresponding period a year ago; while shipments aggregated 427,000,499 pounds, as against 456,285,564 pounds. In the twelve months ended June, exports of sugar aggregated 2,798,113 cwt., as against 2,753,131 cwt. in the previous twelve months, but the decline in prices reduced the total value of shipments to $13,718,872 from $16,368,888.

The general disturbance to trade in the past year in the United Kingdom, Canada's principal market for sugar, is seen in a decline of purchases from 2,090,883 cwt., worth $12,446,138, to 1,534,152 cwt., worth $7,097,215. Business in this commodity with the United States, however, shows large increase, purchases rising from 3,005 cwt., worth $12,207 in the twelve months ended June, 1926, to 18,646 cwt., worth $117,897 a year later. Substantial increase in shipments are also recorded to India, Jamaica, France, Newfoundland, Norway and Uruguay.

Confectionery Trade Grows

There has been a marked increase in Canada's trade in confectionery, the manufacture of which, from the standpoint of capital investment, has always been an essentially Canadian industry. Recently, however, important British interests entered the field, lured no doubt by the expanding market for these products. Steady expansion of the industry is seen in Canada, illustrated at the present time in the erection of a half million-dollar plant at Halifax for important Canadian interests.

In the twelve months ended June, despite a drop in general sugar values, exports of confectionery rose to $912,148 from $659,388 the year before. Despite its lower trade in products of this nature in general the United Kingdom imported to the value of $342,690 as compared with $105,444 the year before. Candy moved also in large quantity to New Zealand, Newfoundland, British South Africa, Australia, Bermuda, Jamaica, British West Indies, China, Colombia, Hong Kong, Japan, and Panama. A feature of the trade with the United Kingdom is the growing export of chewing gum, that country having taken to the value of $250,256 in the last fiscal year as against $33,964 the year before.

Place Tariff on Maple Sugar

Trade in maple products at the present time is of particular interest in view of the fact that it is considered probable that an increase in the tariff on maple sugar entering the United States will be recommended by the United Tariff Commission, the suggested elevation being from four to six cents a pound. The total export of maple sugar and syrup from Canada in the past year had a value of $831,696, as compared with $612,457 in the year before. Exports of these products to the United Kingdom declined from $13,604 to $10,541, but to the United States increased from $597,242 to $816,309. There has been an especially heavy increase in the purchase of maple syrup by the United States, this commodity entering under the same duty as sugar.

Figures recently published show maple products to have had a total value in 1927 of $4,934,811 as compared with $4,896,375 in the previous year. This total was made up of 9,831,697 pounds of maple sugar valued at $1,365,045 and 2,154,705 gallons of maple syrup valued at $3,569,766. To the total value Quebec contributed $3,105,924; Ontario, $1,771,639; New Brunswick, $29,687; and Nova Scotia, $27,561.

Beet Sugar Crop Larger

The only other sugar for which Canada is primarily responsible comes from the beet industry of Southern Alberta. It is interesting to note that the largest crop of beets since the industry became established is being harvested this year, due to an additional 800 acres being planted this spring. Official estimate places the volume of the crop at from 45,000 to 50,000 tons, compared to about 41,000 tons last year. The sugar output of the refinery will be correspondingly larger.

Appoint William Spittal Manager of People's Loan

People's Loan and Savings Corporation, London, will be in its new building about October 1, at which date William Spittal will assume the post of general manager. Mr. Spittal has been acting as secretary treasurer of the corporation since its foundation in 1892.

A. A. Campbell, who has been general manager during the company's thirty-five years, is retiring from the position of general manager, but will retain his directorship.

The new building is the result of the fire that destroyed the company's premises last January. Temporary premises have been occupied while the rebuilding of head office building in modern and beautiful style has been under way.

ON CAPITAL MORTGAGE BOARD

Norman Heimbecker, of the grain brokerage firm of Parrish & Heimbecker, has been elected a director of the Capital Loan and Mortgage Company, having recently purchased its present home at 377 Portage Avenue, from the Bank of Montreal.

A large party of Kansas and Nebraska land seekers passed through Winnipeg on their way to Saskatchewan this month.

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TALK MELONS FOR IMPERIAL OIL, BUT OFFICIALS SILENT

Nothing Tangible Appears to Justify Recent Rapid Rise

MAY BUY ON FUTURE

Some Point to Wonderful Record, and Leading Position of Company as Reason for New High Level

Imperial Oil shares are selling above 60, which represents a 50 per cent. advance in about six months. With a dividend of $1.50 annually, the yield on the basis is less than 3 per cent.

All sorts of rumors are circulating concerning possible melons for shareholders, but so far, nothing official or tangible is available. The New York Herald-Tribune a week ago said that in a coming re-organization of Standard Oil of New Jersey there would be something definitely to the advantage of Imperial Oil shareholders.

Silence Reigns Supreme

If there is anything coming in the immediate future, officials of Imperial Oil are maintaining their well-known capacity for keeping silent on the subject.

Undoubtedly, however, some buyers of the stock at its present figure are content with the current yield in the belief that Imperial Oil will do well by its shareholders in all respects except information. Imperial Oil always has been profitable to the investor but the ordinary investor never has been told anything about the company in which he puts his money.

Just Somebody's Guess?

At the moment, there is reported to be in circulation from hand to hand a set of figures which purports to show the amount of money which Imperial Oil has in call loans, and how much cash there is on hand as well as other significant figures. But it is thought improbable that any well-guarded secrets of the company have leaked out. It is thought more likely that some conscienceless market operator has made a wild guess at the figures for his own purposes.

But still there are buyers of the stock at the present level who are content. If asked the reason, they point to the wonderful record of the company, they remind themselves and others that the company is the leader in the oil business in Canada, that it has a profitable subsidiary in International Petroleum which is operating at a profit despite the surplus production of crude, they point, out that the tourist business in the season just ending has been enormous, that Imperial Oil is benefiting from this in Central Canada and British Columbia and is in position to benefit from it when the Maritimes and the Prairies develop further. Lastly, it is pointed out that Imperial Oil is acquiring crude resources in the Alberta fields.

McColl Bros., British-American Oil and several of the smaller companies which are not producers of crude report excellent seasons—seasons which were far better than was expected although expectations were for a large increase in business from both tourists and residents. It is argued that if the smaller companies have done well in the distributing end of the business, Imperial Oil, with a greater number of service stations and a greater volume of wholesale business, should have done better than the others.

It is reliably reported that Imperial Oil and International Petroleum have been able on the whole to operate at a profit through the recent months of soft crude prices. While it is probable that there will be further drops in the price of crude before next summer brings a renewed demand for oil, it is believed that operations of these two companies will be profitable.

Of course, it should be remembered that the smaller companies are not only less concerned with the crude surplus than is Imperial, but that they also concentrate their activities largely in the more settled and busier districts where the margin of profit must be considerably smaller. But if this is a bearish factor with regard to Imperial, it is offset by the fact that Imperial stands to gain ultimately by its policy of establishing itself in less profitable territory. It will be first in the field when development of the country justifies the policy of early extensions of service. The investor who buys stock yielding less than 2 per cent. is not looking at immediate earnings, but has his eye on the future.

It is reported from New York that the Sun Life of Canada has bought from Standard Oil of New Jersey, a block of 80,000 shares of Imperial Oil, Ltd. It is said that the price was around $55 the share, compared to the current market price of above 60.

Sun Life was a heavy buyer of Imperial Oil a year or two ago in the open market. Its purchase of shares through Standard of New Jersey would make it the second largest holder of Imperial stock.

Canners Preferred Ascends Above Par; Immediate Action on Arrears is Not Probable

Canadian Canners preferred moved across par for the first time in its history in the last week and touched 105, reacting to 101.

This movement followed the news in The Financial Post that the company now is earning better than the 7 per cent. dividend on the preferred stock. The company now is paying 5 per cent. on this stock and there is about 20 per cent. of dividends in arrears.

The company is conservatively managed and its financial statement compares favorably with a number of others which are noted for substantial reserves.

It is said on good authority, however, that an immediate change in the dividends on this stock is not contemplated by the directors. It is only this year that the 5 per cent. was raised from 4 per cent. and it is, pointed out that a further increase in so short a time would hardly be expected by the holders of the stock.

What is known, is that the company could pay dividend, if it were so disposed, and this knowledge is sufficient to make the buyers confident that their patience ultimately will be rewarded.

Something also will be done—but not immediately—with regard to the accumulated arrears. Several plans are believed to have been discussed.

CONTROL WINDSOR BREWERY PASSES TO STRONG GROUP

Over $2,000,000 Involved in Deal; New Financing Probable

Another Ontario brewery deal of importance has been successfully concluded. The British American Brewery Co., at Windsor, has been sold to A. C. Dhysels and Co., a banking concern of Grand Rapids, Mich., from the Irion interests. Others prominent in this deal, which involved the transfer of $2,000,000, were Thomas E. Walsh, of London, Wm. Brown of the United Bond Co., and C. A. Ripley of the Ripley Realty Co., both of Windsor.

L. A. Irion, whose family has been the owners of the British American Brewery Co. for 50 years will remain as president and business manager of the new company.

It is understood that offerings of the stock of this company, of which there will be, it is expected, class A and B shares, will be made on the Michigan and Toronto markets in the near future.

British Empire Steel Meets Scotia Interest

From Our Own Correspondent.

MONTREAL. — The British Empire Steel Corporation has deposited the funds necessary to meet the interest on the first mortgage bonds of the Nova Scotia Steel and Coal Company which was due June 30 last. For over a year, the parent corporation has taken advantage of the clause in the trust deed covering this issue of bonds, which allows three months of grace on the interest payment. The Nova Scotia Steel and Cola Company's debentures are also some months in arrears with interest payments, but it is anticipated that the interest due June 30 last will also be met before the six months of grace on the debentures expires next December.

WILL TRUST AND LOAN STOCKS FOLLOW BANK, INSURANCE, SHARES UP?

(Continued from page 1)

small part of the total funds handled; the banks make productive use of immense sums in transactions where only a slight toll is exacted, but this profit amounts to a very large percentage on the actual capital stock outstanding.

Position of Trust and Loan Stocks

Trust companies and loan companies, with variations, are in a similar position. Recently, legislation was passed permitting the loan companies under Dominion jurisdiction to borrow up to eight times their combined paid-up capital and reserve. Ontario increased the borrowing powers of companies under its jurisdiction. In other words, they can borrow at, say 5 per cent., and loan at 6½ per cent., up to eight times their capital. The margin, after payment of expenses is very small on the sums loaned, but when translated into percentage of profit on the capital outstanding, the figure may be sizeable and attractive.

Trust companies and loan companies are not without their peculiar problems and characteristics. The loan companies have been faced with the problem of having to pay advancing rates for the money they borrow and being required to accept declining rates for the money they loan. The British and Scottish money market, long a source of funds, is no longer content with four per cent. or five per cent., and has been asking as much as 5¼ per cent. for money. On the other hand, mortgage loans bring in only from 6 per cent. to 7 per cent. in different parts of Canada now. The spread between the two figures is small. This was one reason why the loan companies sought legislation enabling them to borrow a larger amount of money; they wished, by doing a larger volume of business to offset the smaller margin on the business actually done. It is also the reason why so many mergers are taking place; large companies buying small ones. Loan companies raise their money in three ways; shareholders' capital and reserves built up out of earnings; deposits and debentures. Naturally, the more the money that can soundly be obtained in the latter two ways the greater the profit for the shareholders for the price paid for deposit and debenture money is limited and profits on its use accrue to shareholders.

Going Strongly After Deposits

Active development of the savings account field and larger advertising of debentures are drawing for the loan companies more money from the Canadian investor than they ever have before and are enabling them to offset the withdrawal of funds by Old Country investors who are able to get larger yields at home.

In all that has been said about the loan companies, generalities have been used. It should be remembered that different companies have different policies regarding the getting in funds. Some do not take deposits. Some do not have any British debentures outstanding at all. Others have only small amounts of debentures outstanding in Canada.

Broad Powers of Trust Companies

The trust companies again have characteristics that mark them out from the loan companies. Their activities are on a much broader basis; their problems and, at the same time, their sources of revenue are much wider. A trust company in Canada, roughly speaking, can do anything a loan company can do, plus a good deal more. They make a considerable revenue from handling estates, from acting as transfer agents for incorporated companies, from acting as trustees under bond issues, from managing companies in receiverships; from selling real estate; even from loaning money on call, all being activities outside the general scope of the mortgage company. Because of the wider scope of trust business, the trust company stocks are more likely to receive attention from investors than the loan company stocks because the advancing prosperity of the country gives them greater opportunities for enlarged service. But the number of companies whose shares are available to the general public is small.

Canadian Bakeries Expand

Canadian Bakeries have purchased the business of the Ford Baking Co., Swift Current. They have also purchased additional property adjoining the bakery for the purpose of making extensions and improvements at an early date.

Ore Receipts at Trail

Ore receipts at Trail Smelter from Sept. 8 to 14, inclusive, and from Jan. 1, 1927, to date (in tons):

Company's mines	7,830	299,519
Other mines	2,069	109,135
	9,899	408,654

1,400 men are working on the completion of the Hudson's Bay Railway.

ALCOHOL BUYS STOCK CONTROL OF DISTILLERY

New Scottish Subsidiary to Expand — Shareholders Get Rights

$5,000,000 ISSUE

Offered to Present Shareholders to Yield 6⅔ Per Cent. — Issue is Guaranteed

From Our Own Correspondent

MONTREAL.—The Canadian Industrial Alcohol Company has acquired a controlling interest in Robert McNish and Company, whiskey distillers and well known blenders and producers of Scotch whiskey for over seventy years. Apparently the Canadian Industrial Alcohol Company has used its current liquid assets in purchasing control of the new subsidiary, as no new financing is proposed by the parent company.

The subsidiary itself is to issue $5,000,000, 6 per cent., twenty year, debenture stock of a par value of $5 a share. The issue to be redeemable at the option of Robert McNish and Company at any time after five years from the date of issue at a premium of 10 per cent. above par. The issue will be guaranteed both as to principal and interest by Canadian Industrial Alcohol Company.

The shareholders of Canadian Industrial Alcohol Company have been offered the right to subscribe to the new issue on the basis of one debenture for each share held. The price to shareholders of Canadian Industrial Alcohol is $4.50 for each $5 debenture. Subscriptions will be received from shareholders on record October 5.

1,000,000 Shares Outstanding

There are at the present time approximately 1,000,000 shares of Canadian Industrial Alcohol Company no par value stock outstanding. So that the taking up of the option by the shareholders will net the subsidiary company about $4,500,000. This money will be devoted to the further development and expansion of Robert McNish and Company.

The offer will prove attractive to the shareholders of the Canadian Industrial Alcohol Company. The purchase of the new debenture stock will return a yield to the investor of 6 2-3 per cent..

The terms and conditions upon which shareholders of Canadian Industrial Alcohol Company may subscribe to the Robert McNish and Company's issue of debenture stock have been set out in a circular letter addressed to them by Lord Shaughnessy, president of the company.

The right to subscribe to the issue expires Nov. 15, and the warrants must be received by the trust company on or before that date. The warrants must be accompanied by an initial payment of $1.50 for each debenture subscribed for.

Terms of Subscription

Canadian Industrial Alcohol Company shareholders are entitled to subscribe for one debenture of Robert McNish and Company for each share of capital stock they hold in the parent company.

Their subscriptions will be conditional upon the payment of $1.50 for each debenture subscribed for upon taking up the option, one dollar more upon allotment of each debenture, one dollar more for each debenture allotted within 30 days after allotment, and the balance of one dollar for each debenture alloted within 60 days of allotment.

Debenture certificates are to be sent to subscribers after payment of all instalments of the purchase price, and interest will accrue from 15 February, 1928, and will be payable quarterly. Those shareholders who make the full immediate payment will obtain interest from the date of payment.

The company reserve the right to sell debentures in the event of a shareholder's failure to pay any instalment upon the date provided. The net proceeds of such sale to be applied to the payment of the amount still payable under the subscription, any surplus to be paid the subscriber.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Sept. 28	119.7	113.2
Week of Sept. 21	119.4	107.8
Month of Sept., 1926	85.9	80.0
9 Bank Stocks		
Week of Sept. 28	$290	$282
Week of Sept. 21	290	280
Month of Sept., 1926	226	223
10 Public Utilities		
Week of Sept. 28	$120	$118
Week of Sept. 21	120	118
Month of Sept., 1926	87	81

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Industrials	28	16	27	71
Banks	2	6	1	9
Paper	7	4	4	15
Steel	13	8	18	39
Foodstuffs	20	7	18	45
Utilities	9	10	14	33
Tractions	3	3	10	16
Textiles	5	4	8	17
Total	87	58	100	245

Canadian Vickers Gets More Large Contracts

From Our Own Correspondent

MONTREAL.—Canadian Vickers will benefit very materially by the decision of the government to purchase 26 new planes with which to equip the Royal Canadian Air Force and to meet the increased aviation needs of the Dominion. The order will amount in all to some $400,000 and, it is expected, will be placed largely with the Canadian Vickers. The structural steel department of the company is also doing a large business.

Among the more important contracts booked, calling for the supply of structural steel, are the following: Paugan Falls hydro-electric power development of the Canadian International Paper Co.; Courtauld's factory at Cornwall, Ont., where this world-known rayon producer is considerably enlarging plant facilities; Canadian Celanese plant at Drummondville, Que.; and the Dominion Textile plant at Magog, Que. The company is in a position to benefit from the period of industrial expansion which apparently lies before Canada.

Call Nat. Grocers for Trading

National Grocers 1st preferred stock, amounting to approximately $1,000,000, will be called for trading on the Toronto exchange next week.

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FORD OF CANADA ADDS LARGE SUM TO ITS RESERVES

Net Profit Shown Lower, But Output of Cars Grows

Ford Motor Co. of Canada, had net profits of $5,341,177 in the twelve months ended last December 31st, it is shown by the annual report just issued. In the twelve months ended July 31, 1925, the company earned $6,132,327, which was an increase of $2,413,140 over the previous year. The change in the fiscal year apparently results in an omission of earnings statements for the last six months of 1925.

Comparison of the December, 1926, balance sheet with the July, 1925, balance sheet, shows that the company's financial position has been strengthened materially. Total assets are up from $41,419,335 to $46,110,916. Current liabilities are reduced from $3,253,039 to $2,162.879. Current assets show a substantial gain. Cash has been increased from $4,691,240 to $7,216,883. There is a reduction of $200,000 in the holdings of government bonds, this item now standing at $1,642.342. Advances to affiliated companies now total $4.410,295 compared with $1,100,111 in 1925.

Output Increased

On the liability side of the sheet, it is discovered that depreciation reserve has grown to $7,395,457 from $6,665.083 and that the reserve for contingencies now stands at $1,000,000. compared with $500,000 in 1925.

The reputed drop in Ford sales apparently had not struck the company up to the end of last year, for output was 100.614 cars and trucks and 6.140 tractors, which was an increase of 21,375 cars and 759 tractors over the preceding calendar year.

Surplus and Profits, Year Ending

	Dec. 31, 1926	July 31, 1925
Net Profits	$5,341,177	$6,132,327
Adjust. of claims and tax	135,871	....
	$5,477,048	$6,132,327
Reserve	500,000	340,000
Adjust. of tax	....	975
Dividends	700,000	1,400,000
Surplus for year	$4.277,048	$4,391,352
Prev. surplus	24,275,530	19,609,861
Total Surplus	$28,552,578	$24,001,213

Atlantic Sugar Output Below 1926 Figures?

From Our Own Correspondent

MONTREAL.—The output of the Atlantic Sugar Refineries for the current year to date seems to he slightly below the figures of 1926. Between Jan. 1 and Sept. 10 of this year the sugar refineries in Canada produced a total of 679,204,404 pounds as compared with 761,212,835 pounds last year. During the four weeks' period ending Sept. 10, the refineries produced 80.662.806 pounds as compared with 108,048,966 pounds during the corresponding period of a year ago.

Unlisted Stocks

These prices are mostly as at September 26, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
Border Cities Pref. Bonus	$ 31.00	$ 39.00
Brandram Henderson, Com.	19.00	23.00
Brandram Henderson Pref.	77.00	82.00
Brantford Roofing	98.00	....
Brooks Steam Motor Units	3.00	3.75
Canada Machinery Com.	10.00	12.00
Canada Machinery Pref.	30.00	35.00
Can. Paperboard Pref.	90.00	....
Canadian Westinghouse	177.00	....
Canadian Westinghouse, 1/5	38.00	42.00
Caulfields Dairy Com.	....	26.00
Caulfields Dairy Pref.	87.00	....
Cockshutt Plow Pref.	80.00	82.00
Copeland Flour Mills Pref.	16.00	21.00
Dom. Alloy Pref. Bonus Com.	1.50	2.50
Dom. Combing Mills	....	14.00
Dom. Foundries & Steel Com.	2.00	3.50
Dom. Foundries & Steel Pref.	20.00	23.50
Dom. Linens Pref.	17.25	23.00
Dom. Manufacturers Com.	6.00	....
Dom. Manufacturers Pref.	66.50	....
Dom. Power Com.	29.50	31.00
Dom. Power Pref.	101.00	102.50
Dom. Sewer Pipe Com.	58.00	60.00
Dom. Sugar Com.	19.50	22.75
Dom. Sugar Pref.	93.00	99.00
Dunlop Tire Pref. XD	94.50	97.00
Durant of Canada	2.00	3.50
Farmers Dairy Com.	115.00	....
Farmers Dairy Pref.	100.50	105.00
Gillett, E. W.	65.00	....
Goodyear Cotton 7% Pref.	97.50	102.00
Gosse Packing Com.	46.50	49.50
Gotfredson Truck Com.	15.00	20.00
Greening Wire Pref.	97.00	101.00
Guardian Realty Pref.	60.00	65.00
Hamilton United Pref.	65.00	....
Huethers Brewing Pref.	3.00	5.50
King Edward Hotel "A"	70.00	74.00
King Edward Hotel "B"	60.00	64.00
Kingston Ship-Building Pref.	17.50	....
Loew's Buffalo Pref.	30.00	35.00
Loew's London Com.	4.25	5.00
Loew's London Pref.	7.50	8.50
Loew's Mansfield Pref.	70.00	....
Mansfield Theatres Pref.	83.00	....
Milton Brick Co.	17.25	20.00
National Grocers 1st Pref. Ex. Div.	97.00	99.00
National Steel Car Com.	22.00	24.00
Palace Thea. (Montreal) Pref.	50.00	....
Pure Food Com.	26.25	30.00
Simpson, Robt., Pref.	102.00	104.00
Standard Clay Products Com.	38.50	41.00
Toronto Baseball Club	....	90.00
Toronto Carpet Pref.	97.50	....
Willards Choc. Pref.	....	66.00

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$100.00	$ ....
British Mortgage & Trust	202.00	....
Capital Trust	55.00	65.00
Chartered Trust	80.00	85.00
Commercial Finance Com.	25.00	28.00
Commercial Finance Pref.	81.00	84.00
Debentures & Sec. Com.	65.00	....
Debentures & Sec. Pref.	66.00	....
Lambton Loan & Savings	81.00	....
London Loan & Savings	46.00	50.00
Mfg. Finance Pref. Bonus Com.	7.25	8.25
Midland Loan & Savings	15.00	....
Mortgage Discount Pref.	6.25	7.25
Mortgage Discount Com.	.50	.70
Mutual Finance Com.	7.25	8.25
Mutual Finance Pref.	7.25	8.25
Peoples Loan & Savings	75.00	....
Sherbrooke Trust Co.	110.00	....
Saskatchewan Mortgage	30.00	....
Sterling Trust	83.00	....
Toronto Finance	3.25	4.50
Waterloo Trust & Savings	100.00	....

Insurance

	Bid	Asked
British America	37	..
Canadian Fire, Full Pd.	105	115
Canada Life	940	..
Canada National	15	18
Capital Life, 20% Pd.	22	24
Casualty of Canada, Full Pd.	180	..
Commonwealth, 10% Pd.	21	25
Confederation Life, 10% Pd.	72	..
Continental Life, 20% pd.	50	56
Crown Life, Full Pd.	220	..
Dom. of Can. Guar. & Ac.	310	..
Dominion Fire	105	..
Dominion Life, 50% Pd.	400	..
Excelsior Life, 30% Pd.	95	..
Federal Fire, 25% Pd.	35	..
Fidelity of Canada, Full Pd.	120	140
Great West Life, Full Pd.	430	460
Imperial Life, 85% Pd.	390	..
Manufacturers Life, 45% Pd.	390	420
Monarch Life, 10% Pd.	41	45
Montreal Life, 20% Pd.	54	60
National Life, 25% Pd.	70	76
Ontario Equitable, 10% Pd.	31	34
Security Life, 40% Pd.	10	20
Sovereign Life, 25% Pd.	55	60
Sun Life, 75% Pd.	1350	1450
Toronto Casualty	25	30
Western Assurance	43	..

Club Shares

	Bid	Asked
Bayview Golf	$ 25.00	$ 40.00
Lakeview Golf	....	70.00
Lake Shore Golf	....	35.00
Lambton Golf	390.00	425.00
Mississauga Golf	15.00	35.00
Rosedale Golf	105.00	130.00
Summit Golf	....	25.00
Thistledown Golf	45.00	60.00
Thornhill Golf	....	85.00
Toronto Winter Club	....	45.00
Weston Golf	80.00	95.00
York Downs Golf	265.00	295.00

Recent London Quotations

	Sales
Calgary Power	52
Hudson's Bay	4¾
Hudson's Bay 5% Pref.	4⅞
Can. West Lumber	3s. 10½d.
Standard Chemical 7%	21
Dominion Tar	1 31/32
Dominion Tar, Pref.	23s. 0d.

Recent Vancouver Quotations

	Sales
B. C. Telephone Pfd., new	104½
B. C. Electric Pfd., ex. div.	103.50

John H. Briggs Dies

MONTREAL.—Investors in the Canada Foundries and Forgings will learn of the sudden death of John H. Briggs, with regret. Mr. Briggs was both a director and secretary treasurer of the company and had been identified for many years with both the Canada Foundries and Forgings and its predecessor company in Brockville, Ont. He was a capable and conscientious servant of the corporation to the advancement of whose interests he gave the greater portion of his life.

Stock Market Record

WEEK ENDING SEPTEMBER 27

	Div. Rate	Yield Sept. 26	High for wk.	Low for wk.	Close Sept. 27	Close Sept. 20	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	4.57	289	280	281	290	481	295	228
Dominion	12+1	4.81	272	268	270	270	298	275	217
Can. Nationale	10	5.05	198	197	197	196	125	198	160½
Imperial	12+1	5.41	250	239	240	248	399	256	214
Montreal	12+2	4.06	349½	340½	340½	347	344	355½	272
Nova Scotia	16	4.10	399	379½	379½	393	358	399	298
Royal	12+2	4.33	330	316	316	326	895	344	257
Standard	12	4.81	249	239	246	238	978	249	196
Toronto	12	4.25	286	280	280	286	283	287	227
Paper—									
Abitibi, com. (no par)	5	4.46	111⅞	106¾	110⅝	107⅞	10463	111⅞	82
Do. pref.	7	6.03	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.79	103	103	103	102½	90	105¼	101
Brompton (no par)	$2	4.81	41½	40	40¼	40⅝	2272	42¼	31
Fraser, pref.	7	6.79	103	100¼	103	102	187	103	96
Inter. Paper, c. (no par)	$2.40	4.36	56½	52⅛	56¼	55¼	31500	60⅞	39½
Do. pref.	7	7.08	..	...	...	...	...	99½	98⅞
Laurentide	6	5.68	105½	102	104⅞	104	13203	110¾	90
Price Bros., com.	2	3.22	62	59½	62	61	3090	63	51¼
Do. pref.	6½	6.28	103½	103¼	103¼	103¼	150	104½	100
Smith, Howard, com.	.	...	69½	67	67	68	310	69½	59
Do. pref.	8	7.14	112	111	112	112	30	112	108½
Span. River, com.	7	6.78	104¼	101	104	101½	2785	106½	97½
Do. pref.	7	5.98	118½	117	117	117¼	315	121	110¼
Wayagamack (no par)	$3	3.61	84	81	81	84	865	84½	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅝	½
Do. 1st pref.	.	...	18½	18½	18½	18	30	29¼	10
Do. 2nd pref.	.	...	1½	1	1¼	1⅓	630	4	1
Can. Car & Found., com.	.	...	40	39	39	37	1075	50¼	35
Do. pref.	7	8.11	88⅛	85½	86	87	245	94½	85½
Can. Fairbanks, pref.	6	5.88	..	...	...	...	...	102	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	x1½	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	57	57	57	55	332	60	49
Do. pref. (par $50)	7	5.98	58½	58	58½	58½	373	61	55
Canada Iron, com.	.	...	...	...	...	...	...	15	12
Do. pref.	4	...	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	25
Do. pref.	7	8.75	..	...	...	...	...	89	79
Carr. Factories, com.	.	...	..	...	...	...	...	¼	¼
Dominion Bridge	4+4	3.43	262	250	259	252	15734	262	116¾
Dominion Coal	.	...	75	74½	75	75	180	85	69
Dominion Iron, pref.	.	....	..	...	...	...	...	5	1½
Dom. Steel Corp., pref.	.	...	30½	30½	30½	30½	15	32½	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	7	6½	6½	7	30	15	6¼
Do. pref.	7	8.86	79	79	79	80	5	95	65
Massey-Harris, c. (no par)	.	...	38¾	36½	37¼	37	12933	42¾	29
Do. pref.	7	6.45	108¾	107¾	108	108¼	787	109¾	103½
McKin. Ind., c. (no par)	.	...	23¼	23	23	23	20	25½	15
Do. pref.	7	7.34	95¼	95	95¼	94½	55	97	93¼
Do. Vot. Trust	.	...	26	22½	24	23	2035	26¾	15
Ontario Steel, com.	4+1	4.63	108	108	108	105	25	108	73
Do. pref.	7	6.66	..	...	...	...	...	105	100
Page Hersey, c. (no par)	$3	3.35	90	79¾	84¼	80¼	18154	90	55½
Do. pref.	7	3.96	176½	159½	168	159¼	818	180	116
Pressed Metals, com.	3	6.00	50	46	50	45½	224	50	34¼
Do. pref.	7	7.44	94	93	93	93	49	94	85
Russell Motor, com.	3	5.76	52	52	52	53½	50	60	52
Do. pref.	7	7.14	98	98	98	97	5	99	90⅛
Steel of Canada, com.	7	3.59	222	178	184	197	20755	222	117
Do. pref.	7	3.64	205	161	170	190	920	205	127
Milling and Foodstuffs—									
Alta. Pac. Gr., c. (no par)	.	...	35	33	33½	34	1908	35	19¼
Do. pref.	7	7.56	93	91	92	91	409	93½	85
Arnolds, c. (no par)	.	...	16	14¾	14½	16	2203	26	10½
Do. pref.	7	8.64	81	81	81	81	12	95	81
Atlantic Sug., c. (no par)	.	...	28¾	23½	25	28	2380	32	21¾
Do. pref.	.	...	90	90	90	90	75	101¼	90
B.C. Fishing, c. (no par)	$1.25	9.00	14	12¼	14	12¾	3478	22	12¼
Do. pref.	7	9.45	74	73	74	75	192	90	73
Can. Bak., c. (no par)	.	...	36	34	36	34	245	38½	20
Do. pref.	7	6.93	101	101	101	100	20	102	97
Can. Bread, c. (no par)	$6	3.75	170	150	160	147	880	170	90
Do. pref. (A)	7	5.73	122	121	122	120	19	125	108
Do. pref. (B)	7	6.25	112	112	112	112	95	115	102
Can. Canners, com.	.	...	65	52	65	51	736	65	21
Do. pref.	5	4.80	105	93¼	103	93⅝	6443	105	76
Canadian Salt	8	5.71	..	...	...	...	...	140	123
Christie Br., c. (no par)	$1.20	2.03	59½	59	59	60½	70	66	38
City Dairy, c. (par $25)	3+1	2.58	159	155	155	155	190	165	79
Do. pref.	7	5.73	122	122	122	122	11	123	112
Cuban Can. Sugar, c.	.	...	..	...	...	...	...	5	1
Do. pref.	.	...	..	...	...	...	...	37	26
Wm. Davies (A) (no par)	.	...	43½	42	42⅛	42	1259	45	25
Do. (B) (no par)	.	...	20	19½	20	17½	39	20	9
Dom. Stores (no par)	$2.40	3.00	81	80	81	80	115	85½	65
Ham. Dairies, c. (no par)	.	...	39	33	39	33½	165	38	24
Do. pref.	7	7.07	99	98	98	96	83	99	95
Inter. Milling, pref.	7	6.46	108¼	108	108¼	108¼	144	108¼	104
Lake of Woods, c.	12	7.84	153	149	152	150	417	160	130
Do. pref.	7	6.08	..	...	...	...	...	118	110
Loblaw, com. (no par)	$1	1.56	64	64	64	64	20	65	48
Do. pref.	7	5.78	122	122	122	123	25	123	107
Maple Leaf Mill., c.	.	...	100	85	100	78	535	100	49
Do. pref.	7	7.00	100	99	99½	98	96	101¼	94
Ogilvie Fl., c. (no par)	$5+10	4.80	312	309	310	325	110	328	205
Do. pref.	7	5.60	..	...	...	...	...	126	120
Pure Gold Mfg. (no par)	$1.50	7.14	21¾	21½	21½	21½	75	22	19
Shred. Wheat, c. (no par)	$3	4.22	71¼	67½	69⅛	67⅞	2745	71½	55
St. Law. Flour, c.	.	...	26	25	26	26	50	31½	25
Do. pref.	7	8.23	..	...	...	...	...	85	79
Viau Biscuits, c. (no par)	.	...	18⅞	18⅞	18⅞	16½	25	28	16
Do. pref.	7	8.14	..	...	...	...	...	92¼	83
W. Can. Fl., c. (no par)	$1.40	5.00	28	27	28	27	329	29½	22
Do. pref.	6½	6.37	..	...	...	...	...	106	100
W. Groc., c. (no par)	$1	...	..	...	...	...	...	29	13
Do. pref.	7	9.09	77	76¾	77	78	10	84	74½
Utilities—									
Bell Telephone	8	5.31	150½	147½	150	150	591	158½	137
Do. Rts.	.	...	9⅞	8	9	9	8124	10½	8
Calgary Power	.	...	...	...	...	...	...	50	50
Consumers Gas	10	5.37	186	183	186	183	396	186	171¼
East Koot. Pr. (no par)	.	...	...	...	...	...	...	29¼	25
Do. pref.	7	7.23	96¾	96¾	96¾	95	50	98½	95
Inter. Util. (A) (no par)	$3.50	8.14	44	42	42	43½	247	46	28
Do. (B) (no par)	.	...	6¾	6½	6½	7	300	7⅝	4½
Jam. Pub. Ser., pref.	7	6.66	105	105	105	105	55	105	97
Laurentide Power	5	3.84	130	125	129½	125	452	135	105
Mackay, com.	7	5.83	125	119	120	124	135	132	108
Do. pref.	4	5.71	71	70	70	70	228	74	67
Mexican Light, c.	.	....	52	52	52	86	8	52	27
Do. pref.	.	...	75¼	75¼	75¼	78¼	50	120	67
Mont L H & P (no par)	$2	2.17	93¼	91¾	92	93	5662	96¾	68½
Montreal Teleg. (par $40)	8	5.20	52	52	52	52	50	52	49
Nor. Mexico Pr., c.	4	5.07	78¾	76½	78¾	78	525	83	42
Do. pref.	7	7.25	96½	96½	96½	93	10	96½	82½
Ot. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	30	26
Do. pref.	7	7.00	97	97	97	100	35	100	96
Ott. L. H. & Pr., c.	6	4.95	121	121	121	116	24	121	98½
Do. pref.	6½	6.19	104	104	104	104	5	107½	102
Quebec Power (new)	.	...	77	75	76¼	76	1566	79	72
Quebec Power, c.	8	2.64	306	300	303	306	255	312	190
Shawinigan (no par)	$2	2.19	91	88⅝	90¾	90⅝	10170	94¾	67
S. Can. Pr., c. (no par)	2	1.88	109½	104	109½	101½	105	109½	85
Do. pref.	6	5.71	106	105	106	102	33	106	99½
Shawinigan Rts.	.	...	3¾	3	3½	3⅝	8434	4	3
Transportation—									
Can. Pacific Rly.	10	5.37	186	183¾	184	184½	149	194½	166
Do. Rts.	.	...	4⅛	3	3½	4	16978	4⅞	3
Can. Steam., c. (no par)	.	...	35¾	34½	35	35	515	42	34½
Do. pref.	6	6.63	91	89½	90	90	1258	94¾	82½
Do. voting	.	...	31	31	31	31	50	37½	31
Tractions—									
Barcelona (par $50)	1	...	65	65	65	67½	175	67½	33½
Brazilian, c.	6	3.07	196	187⅛	195½	191	37115	196	102½
Do. pref.	6	3.75	161	156½	160	161	831	161½	104
Detroit Un. Rly.	.	...	2	2	2	2	150	5	2
Duluth-Superior	$2	8.00	25	25	25	25	62	30⅞	25
Illinois Trac., pref.	6	6.09	..	...	...	...	...	98⅛	98½
Minneapolis S.S.	.	...	..	...	...	...	...	43¼	42½
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.34	188	187	187	185	25	200	169
Ottawa Traction	4	6.06	..	...	...	...	...	70	64
Porto Rico Rlys., c.	$2	...	..	...	...	...	...	70⅝	59
Do. pref.	7	7.08	98⅝	98½	98½	100	30	100	90
Twin City, c.	4	7.92	51½	49	51	51	894	66	48¾
Do. pref.	7	6.86	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	2.39	84	80½	82	80	2497	84	60⅝
Do. pref.	7	6.57	107	106½	106½	107	191	107	100⅝
Textiles—									
Can. Conn. Cotton, pref.	4	8.74	48	45¾	48	45⅝	199	50	36
Can. Converters	7	6.60	100	100	100	104⅝	66	107¼	92
Can. Cotton, com.	8	6.40	..	...	...	...	...	132	115
Do. pref.	6	5.85	102½	102½	102½	100	5	102½	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	5
Do. prec.	.	...	60	60	60	69	14	63	39¾
Cosmos Imp., c. (no par)	.	...	29	28	28	28⅝	2224	31½	13
Do. pref.	7	6.93	101	101	101	101	20	101	91¼
Dom. Textile, c. (no par)	$5	3.78	134	126	127¾	128½	11089	134	105
Do. pref.	7	5.76	121½	121½	121½	121½	1	123	117
Monarch Knit, c.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, c.	6	5.26	115	114	115	114	20	117	110
Do. pref.	7	5.93	..	...	...	...	...	118	114
Penmans, c. (no par)	$4	4.70	92	79¾	85	79⅞	2815	92	70
Do. pref.	6	5.76	..	...	...	...	...	105	101
Wabasso Cotton (no par)	6	4.44	137	130	133	129	641	137	84
General Industrials—									
Amer. Sales, c. (par $20)	4	5.88	69	66	69	66	384	75	60
Do. pref.	7	6.82	103	102½	103	103	157	103	97½
Asbestos Co., c. (no par)	.	...	30¼	28¾	29½	29¾	3692	31¼	20
Do. pref.	7	7.36	95	93	94½	93½	1706	95½	82¾
Brant. Cd., pf. (par $25)	8	9.09	22⅛	21	22	22	385	25	20¾
Brew. & Distil. (par $5)	5	...	12	9½	12	9½	3330	12	4½
Building Products, pref.	7	7.00	101	100	100	100	155	101	93½
Burt, F. N., c. (par $25)	$3	4.54	67	65	65	65½	1950	67	56½
Canada Cement, c.	6	2.46	245½	243	244	243	3578	245½	124½
Do. pref.	7	5.64	124½	123	123	124	134	124½	116
C. Ind. Alc. (no par)	$1.28	3.30	40	37¾	39	38¼	55568	40	21¼
Can. Oil, c. (no par)	$1	3.03	33⅛	23¾	31½	24	4719	33⅛	21
Do. pref.	8	6.75	118½	118½	118½	118½	35	121	115½
Can. Bronze, c. (no par)	.	...	53	50	50¾	50	5430	53	43
Do. pref.	7	6.82	102½	102½	102½	102	260	102½	98½
Cons. Smelters (par $25)	10+$5	1.02	248½	233	242	234	10086	264	215
Crow's Nest Coal	6	11.11	54	54	54	55	35	71¼	50
Dom. Glass, c.	7	5.30	134	128	129	133¼	3455	134¾	104
Do. pref.	7	6.06	115½	115	115	115	45	115½	111¼
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	75	75
E. Theat., c. (par $25)	.	...	29	27	27	29	355	30	24
Do. pref.	7	7.60	..	...	...	...	...	97	92
Famous Players, com.	.	...	38	35	38	33	670	38	20
Do. pref.	8	8.16	98	96	98	97¼	265	101	93½
Gilman, com.	6	5.46	..	...	...	...	...	112	109⅞
Do. pref.	7	6.08	..	...	...	...	...	125	110
Goodyear Tire, com.	5	5.15	98	93	97	92	1026	98	85¼
Do. pref.	7	6.66	105	102	104½	102¾	722	109	94½
Hayes Wheel, c. (no par)	.	...	34½	30	34½	32½	2253	34½	27¾
Do. pref.	7	7.36	96	92	96	97	61	98	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's Ltd., c. (no par)	.	...	29	29	29	27	160	29½	20
Do. pref.	7	7.52	93	92¼	92¼	94	10	95	90
Inter. Nickel, c. (par $25)	$2	2.85	73	67¼	70½	70	89843	75	38
King Edward Hotel	$1	...	45	41	45	41½	115	60	20
Lake Ont. Brew. (no par)	$2	7.70	27	26	26	27⅞	430	31½	24
L. Secord, c. (no par)	.	...	47½	44	44	46	2206	47½	26
Do. pref.	7	5.12	140	134	134	137	385	140	102
Lyall Construction	.	...	39¾	38	39½	40	216	45¾	32
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.82	102½	102½	102½	105	26	105	96¼
Muirhead's, c. (no par)	50c	...	13	12¾	13	13	250	13½	8½
Do. pref. (par $10)	75c	...	13¼	13¼	13¼	12¾	10	13½	10⅞
Nat. Brew., c. (no par)	4	4.45	89¾	82¼	88¼	82⅞	33523	89¾	65
Do. pref.	7	6.36	110	109	110	110	40	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	...	..	...	...	...	...	81	56
Pacific Burt, com.	6	6.09	102	102	102	98½	5	102	87
Do. pref.	7	6.19	113	113	113	113	10	113	102
Port Hope San., com.	4	2.42	..	...	...	...	...	165	125
Do. pref.	7	6.36	111	110	111	107	110	111	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.00	100	100	100	100	30	102	92
Seagram (no par)	.	...	22½	21	21½	22	4990	28⅞	15
Sher-Williams, com.	6	2.97	207	190	201½	193	1670	207	142
Do. pref.	7	5.83	121	120	120	120	55	121	117
Standard Chem., pref.	.	....	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	21¾	20½	21¾	20⅞	240	21¾	19
Do. pref.	7	7.60	92	92	92	92	10	92	88½
Sterling Coal	.	...	24	24	24	24½	30	36	24
St. Maur. Val. C., c. (n.p.)	.	...	54	53	53	53	254	58	47
Do. pref.	7	7.21	97	97	97	97	220	98	94½
Tooke Bros., com.	.	...	..	...	...	...	...	16	10
Do. pref.	7	9.82	71¼	71¼	71¼	71	20	72½	65
Tuckett Tobacco, com.	4	4.65	86	86	86	80	10	86	69
Do. pref.	7	6.30	111	111	111	110	25	111	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.33	75	75	75	77	10	89	75
Zimmerknit, c. (no par)	.	...	25	23	25	23	765	25	18
Do. pref.	7	7.52	93	90	93	89½	20	93	89½
Trust and Loan—									
Can. Landed (par $50)	10+1	4.78	115	115	115	118	342	118	94
Can. Permanent	12	5.21	230	230	230	233	1	235	216¼
Col. Invest. (par $10)	6	...	..	...	...	...	...	7	5
Econ. Invest. (par $50)	4	...	..	...	...	...	...	56	53
Huron & Erie	7+½	5.03	..	...	...	...	...	152¼	139
Landed Banking	10	5.81	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.89	245	245	245	247	3	248	220
Toronto Mtge. (par $50)	10+1	5.18	106	106	106	107½	52	107½	100
Union Trust	7	6.16	..	...	...	...	...	113½	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Sept. 26	High for wk.	Low for wk.	Close Sept. 27	Close Sept. 20	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅝	98
Attendu Eng. (par $1)	.	...	15	12	12	15	715	35½	12
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	15½	15	15	14½	185	20⅝	14½
Belding, com.	6	8.00	..	...	...	...	...	88	67
Do. pref.	7	7.23	97	96¾	97	96¾	27	100	96¾
Brading Brew. (no par)	$2	...	..	...	...	...	...	35½	20
Brit. Amer. Oil (no par)	80c	2.35	34½	30¼	33	30	82371	34½	20

	Div. Rate	Yield Sept. 26	for wk. High	Low for wk.	Close Sept. 27	Close Sept. 20	Sales for wk.	Range, 1927 High	Range, 1927 Low
Can. Brewing (no par)	.	...	26	23	23	24	1405	...	...
Can. Celanese (no par)	.	...	80	79	80	80	250	85½	52¾
Do. pref.	.	...	92	91	91	92	100	94	88
Can. Light & Power	.	...	45	45	45	44½	115	55	20
Can. Malting	.	...	34	30½	33½	31	23085	34¼	27¾
Can. Nor. Pr., c. (no par)	.	...	65	65	65	55	25	65	42
Do. pref.	7	7.03	99½	99	99	97	200	100	97
Carling Brew. (no par)	$2	7.69	26	25	26	25½	2735	29½	25
Cockshutt, pref.	4	4.81	83	80	82	80	470	83	67
Continental Oil	$1	...	..	...	...	...	...	22¼	16½
Cosgrave Brew. (par $10)	5	5.00	10⅛	9¾	10	10⅛	4424	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	54½	50½
Com. Alcohol (no par)	.	...	..	...	...	...	...	70	15
Do. pref.	.	...	..	...	...	...	...	110	105
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Dom. Engineering	8	3.63	220	195	220	191	25	220	135
Dom. Power, pref.	7	6.98	..	...	...	...	...	101	100¾
Dryden Power (no par)	.	...	19½	12	17½	12	7052	19½	9½
E. Dairies, c. (no par)	.	...	45½	44	44	43½	610	46	20½
Do. pref.	7	7.21	..	...	...	...	...	98½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15½
Do. pref.	.	...	75	75	75	72½	25	95	72½
Foothills Oil	.	...	2.99	295	2.95	2.75	200	3.25	2.00
Good. & Worts (no par)	$1	2.04	50	49	50	49½	1660	64	43¼
Chas. Gurd, com.	50c	...	40	38	38½	40	765	43	28⅞
Do. pref.	7	7.29	96	96	96	96½	30	97	93
Hiram Walker (no par)	$2	3.77	54¾	52	54	52½	11612	57¼	28½
Illinois Power, pref.	7	7.00	..	...	...	...	...	101	98
Imperial Oil (no par)	$1+50	2.34	64½	54½	62½	54⅝	61019	64½	37¾
Imp. Tob., c. (par $5)	6	3.33	9	8⅝	8⅝	9	1090	10	6¾
Inter. Petrol. (no par)	75c	2.14	35	30¾	33⅞	31	18180	35¼	28
Inter. Power, com.	.	...	29	28	28	28½	1498	29	14½
Do. pref.	.	...	90	88½	90	90	127	90½	85
Loew's London, com.	25+50c	...	..	...	...	...	...	5¾	4¼
Manitoba Power (no par)	.	...	73	68	73	68	1576	73	50
McColl, com. (no par)	80c	1.60	50	47¼	48¾	48	8490	50	22½
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Perfection Glass	.	...	..	...	...	...	...	8	6
North. Oak. (no par)	.	...	39¾	33	38	34	26115	39¾	25
N. Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	4.90	4.90	4.90	4.90	20	5.01	4.90
N.S. Car, com. (no par)	.	...	28	22	28	22	616	28	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	6.86	..	...	...	...	...	51	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	53	53	53	25	50	60	25
Do. pref.	.	...	99¾	99	99	99	75	100	95
Port Alfred, com.	.	...	61	60	60	60	122	61	55
Do. pref.	7	7.21	97	97	97	96¾	90	97½	95
Power Corp., c. (no par)	.	...	55	53¼	54	55	4671	58½	27¼
Do. pref.	6	6.15	97½	97¼	97½	97¼	560	97½	94
St. Maur. Power	4	2.54	160	157	160	160	450	170	96
Simpson, Robt., pref.	6	5.89	101¾	101¾	101¾	102	10	102	100
Supertest Petroleum	.	...	36	35	36	...	251	36	35
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	57	56	56	57	330	63	35
Do. pref.	8	7.33	..	...	...	...	...	110	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	..	...	...	...	...	13⅛	9⅞
United Secs., com.	.	...	..	...	...	...	...	70½	43½
Do. pref.	6	5.71	105	105	105	105	6	105¼	103¼
Volcanic Oil (no par)	$1.40	5.40	26	26	26	26½	206	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

xOn arrears.

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Pulp & Paper

Price Brothers Profit Largely on Investments

Aluminum Company Shares Have Appreciated Largely Since Acquired

POSITION IS STRONGER

Appreciation in Investments is Not Revealed by Balance Sheets — Conservative Accounting

From Our Own Correspondent.

MONTREAL.—Price Brothers & Co. has already made a satisfactory book profit on its holdings of the preferred and common shares of the Aluminum Company of America. In 1925 through its subsidiary the Quebec Development Company, Price Brothers sold its interest in the Chute á Caron power site. In 1925 the company acquired 40,900, 6 per cent., cumulative, preferred shares and 36,800 shares of no par value of the Aluminum Company of America. The company obtained this stock through the sale of the power site to the Aluminum Company.

Originally, Price Brothers and the Duke interests combined to found the Quebec Development Company in which Price Brothers owns a 25 per cent. interest. This interest, so it is understood, was purchased for around $1,800,000. The Quebec Development Company owned the Duke -Price power site and also the Chute á Caron site.

Stock Has Appreciated

At the time of the Chute á Caron transaction, the Aluminum Company's common stock changed hands at around 60 and the preferred at about 98. Thus at that time the value of these stock holdings approximately $6,200,000

In the meantime, the preferred shares have appreciated and now are quoted in New York at around 103, whilst the common shares or no par value are quoted at $100. Thus the present market valuation of these holdings amounts to some $7,880,000 —an appeciation in the two years of over $1,680,000 Hidden gains, such as these, in the market value of the company's assets serve to make its position the stronger. Furthermore this betterment does not appear to be revealed in the balance sheets.

Price Brothers and Company's fixed assets are carried at some $63,600,000. In this figure there is included the company's development and undeveloped water powers. Thus there is the possibility, though not the probability, that Price Brothers' holdings of Aluminum Company's stock is included in the total of its fixed assets.

Carried in Investments?

What seems more likely, though, is that the Aluminum stock is carried under the head of investment in the balance sheet; and investments are only carried at $1,935,180, a figure which can only represent a fractional proportion of the company's total investment holdings.

Originally Price Brothers & Co. owned 25 per cent. of the equity in the Duke-Price Company through its 25 per cent. ownership of the Quebec Development Company. The Quebec Development Co. disposed of three-quarters of its holdings in the Duke-Price plant to the Aluminum Company and to the Shawinigan Water and Power Company. The consideration in the deal was not made public but no doubt Price Brothers benefited largely by this transaction.

Thus to-day the original Duke-Price interests control 26 per cent. of the equity in the Duke-Price Power Company, so that at the present time

(Continued on page 7)

Dryden Paper Co. in Better Position

From Our Own Correspondent

MONTREAL.—Due to the bettered business conditions in Western Canada which have increased the demand for kraft paper in that territory, the operating earnings of the Dryden Paper Company have been improving. Hence, the stock has been selling at higher levels on the Montreal curb exchange. While the company still continues to be operated by the receiver, it is understood that shortly negotiations will be entered into with the bondholders leading to the liquidation of the interest arrears on the bonds. When the bondholders' claims are finally met, the company will again pass back into the hands of the shareholders. In the meantime, it seems to be conceded that there is now practically no danger of the bondholders foreclosing on their mortgage and acquiring the entire ownership of the property.

Newsprint Production Begins in November

From Our Own Correspondent

MONTREAL.—Production of newsprint will begin in the Anglo-American Pulp and Paper Company's mill at Limoilou, near Quebec City, early in November. Satisfactory progress is being made in construction work and the schedule calls for production at that date. Installation of one of the paper machines has been started. The company is spending $20,000,000 on its plant.

SULPHITE MARKET CONTINUES WEAK

Increased Demand for Newsprint Would Relieve Present Depression

From Our Own Correspondent.

MONTREAL.—The market for sulphite pulp has been decidedly weak all summer and some improvement was anticipated this autumn. But no betterment in the demand has appeared, with the result that sulphite pulp producers are to-day receiving a price for their output which in some instances is below the cost of production.

Moreover, any real improvement in the sulphite market can probably not be anticipated until there is a material increase in the demand for newsprint, for the United States newsprint mills are large purchasers of sulphite pulp. About 25 per cent. of newsprint is composed of sulphite.

There are some Canadian sulphite pulp companies, such as the British Columbia Pulp and Paper Mills, in which there is investment interests and which produce only sulphite pulp, but broadly speaking, the investor is more interested in the market for sulphite through investment in newsprint or other paper companies which have a surplus production of sulphite pulp to sale. Companies in this category include Brompton, Port Alfred Pulp and Paper Corporation, and Abitibi.

Thus to-day many of the Canadian pulp and paper companies are suffering, not only through a reduced scale of newsprint operations, but also by reason of the poor demand and poor prices which prevail in the sulphite market. There seems, moreover, no reason to anticipate any material betterment in the demand for some time to come, and those actually engaged in the sulphite pulp industry face the immediate future with a not particularly sanguine outlook.

Great Lakes Paper Mill is Being Rushed to Completion

Good progress is being made with the construction of the new paper mill for the Great Lakes Paper Co. Excavation work is nearly completed and the pouring of the concrete has begun. The contractors have about 300 men employed.

LAURENTIDE BUYS LIMITS ON OTTAWA

Said to be Purchasing $10,000,000 More in Forest Assets

From Our Own Correspondent.

MONTREAL.—By those in touch with transactions in the pulp and paper field, it seems to be taken for granted that the Laurentide Company has completed a $10,000,000 purchase of further timber limits on the watershed of the Ottawa river. The company has acquired or is to acquire the W. C. Edwards Pulp and Lumber Company, the Hawkesbury Lumber Company, and the Pembroke Lumber Company. Negotiations between the various interests involved have been in progress for some time. The holdings of these three companies consist of large areas of timber limits on the Ottawa river and altogether comprise one of the most extensive lumbering operations on the continent.

The reporters of the daily press in the Ottawa district, using their usual resourcefulness, have indicated in print that the move of the Laurentide Company is to combat the continued expansion of the International Paper Company in the Ottawa valley. But the Laurentide Paper Company is in no way interested in the expansion of the International Paper Co. in this area. Laurentide's interests up to the present have been confined to the valley of the St. Maurice river.

May Erect Mill

Thus, it seems more probable that Laurentide intends only to increase its wood resources, with the ultimate intention, perhaps, of erecting another mill, say, four or five years hence on the Ottawa.

The Three Rivers mill of the International Paper Company obtains its pulpwood from limits on the St. Maurice river. Thus, it may be that in the future the Laurentide Company and the International Paper Company may arrive at some arrangement whereby the limits on the St. Maurice and Ottawa might be exchanged, or the International Paper's Chelsea mill might utilize wood from Laurentide's Ottawa river limits and Laurentide might utilize wood from some of the International Paper's limits located in the valley of the St. Maurice.

St. Maurice Corporation Profits Are Maintained

From Our Own Correspondent.

MONTREAL.—The earning statement of the St. Maurice Valley Corporation published in connection with the recent issue of bonds reveals practically no change in the earning power of the corporation. Although the newsprint market during the current year has been hesitant, the St. Maurice Valley Corporation has been able to maintain its profits. This has been due in large part to its acquisition of the common stock of the Canada Paper Company at the end of 1926, and the savings effected by the consolidation of the operations of the corporation's subsidiaries.

The actual earnings of the corporation for the first six months of the current year are running at a rate apparently marginally below the total of the 1926 fiscal year. The first year's operations of the St. Maurice Valley Corporation covered a period of 13 months, however, so that the six months' earnings would naturally be a little below half of those of the full 1926 year.

Asbestos Corporation Obtains Higher Prices

From Our Own Correspondent.

MONTREAL.—Canadian asbestos export figures indicate that the Asbestos Corporation of Canada is obtaining materially increased prices for its output. For the twelve months' period ending August last exports of low grade asbestos were maintained at practically the same figure as in the preceding twelve months, and exports of high grade asbestos declined marginally from the preceding year.

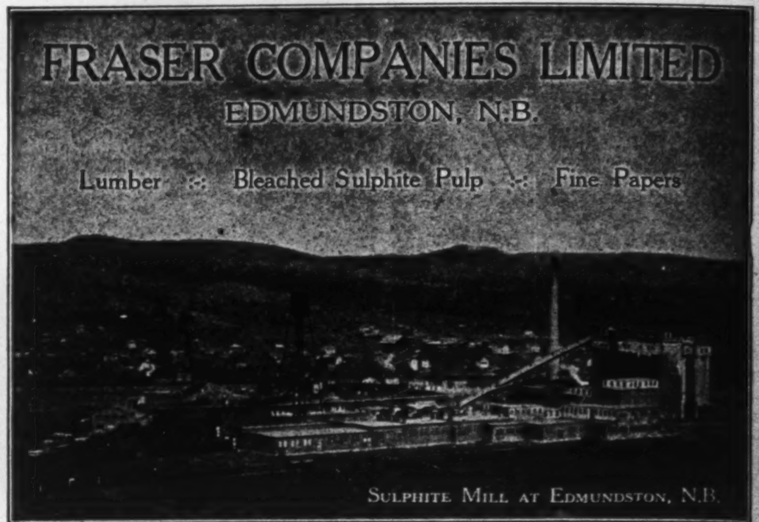
While the actual tonnage exported shows no increase as compared with a year ago, yet there has been a satisfactory increase in the value of the exports. The total value of asbestos exported during the past twelve months was $10,646,802—an increase of some $500,000 as compared with the figures of the preceding year.

The export figures covering the month of August, as compared with the preceding month and August of last year are also significant and indicate the improving position of the Asbestos Corporation. Exports in August were materially greater than in July or in August, 1926. Coupled with the increase there was an even greater proportional increase in the value of the exports. This applies both to exports of high grade and exports of lower grade.

Build New Sub-station

The Dominion Power and Transmission Co. will build a new operating sub-station in the west end of Hamilton to supply more power to the street railway system and for additional light and power for their customers. The Canadian Westinghouse Co., Ltd., and other Hamilton concerns will benefit to the extent of about $50,000, according to a survey of the Chamber of Commerce.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL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MANUFACTURERS FINANCE CORPORATION LIMITED
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AUTHORIZED CAPITAL - $6,500,000

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Abitibi Power & Paper Company
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NEWSPRINT
IROQUOIS FALLS, ONT.

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are Canada's best
THESE famous cottons stand up better to strenuous wear and frequent washings. And they retain their fineness of texture, their lasting beauty of appearance much longer.
The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.
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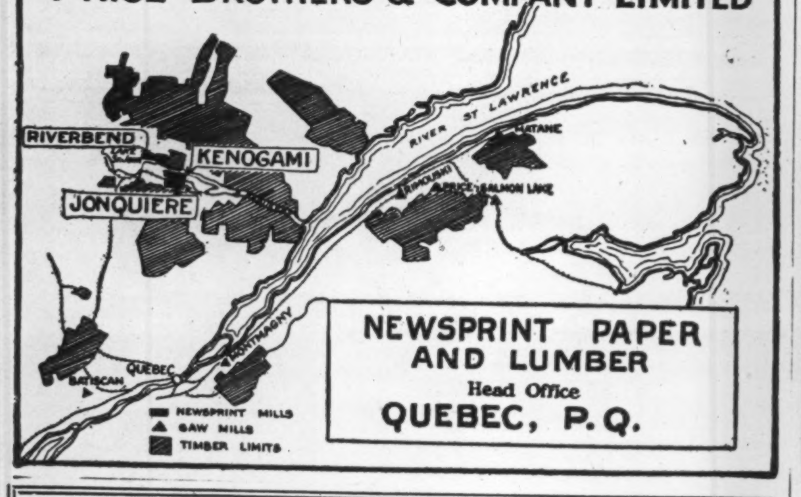
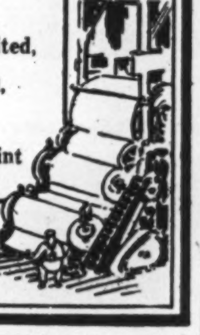


PRICE BROTHERS & COMPANY LIMITED
NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited,
Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC


The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper
Production—720 tons daily.
Mills at
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Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
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ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLINC, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

The Laurentide Company
Limited
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

PRICE BROTHERS' PROFITS LARGER ON INVESTMENTS

(Continued from page 6)

Price Brothers and Company probably have a six or seven per cent. interest in the equity of the Duke-Price Power Company. With the recent completion of the line connecting the Duke-Price Power Company's plants to the lines of the Shawinigan Water and Power Company at Quebec, earnings from this investment of Price Brothers & Co. should increase materially.

Of the 40,900 shares of six per cent. cumulative preferred stock of the Aluminum Company which Price Brothers received for its share in the sale of the Chute á Caron site, $2,045,000 par value carried dividends cumulative since July 1, 1925, and $2,045,000 par value will commence paying dividends from January 1 next. In holding the shares in the Aluminum Company of America, Price Brothers & Co. own the securities of one of the largest and strongest industrials in the world. The capitalization of the big U. S. aluminum producer's capitalization consists of a funded debt totaling $61,000,000; 6 per cent. cumulative preferred stock of $147,262,500 and 1,472,625 common shares of no par value. The total assets of the Aluminum Company are in excess of $240,000,000 and the last annual balance sheet shows a working capital of $74,271,840.

For the fiscal year ending February 28, 1925, Price Brothers carried amongst its deferred assets an item of $1,300,000 as a result of the landslide which destroyed a portion of the plant at Kenogami. On the balance sheet which appeared at the beginning of this year, this item was entirely eliminated. So that in a two year period the company was able to write off $1,300,000. Perhaps a portion of this write-off was accomplished by the sale of a part of the company's holdings in the Duke-Price power plant.

CANADIANS OWN MOST OF OUR ASSETS

Foreign Investments Only 23% of Total Capital Resources of Dominion, Says Smith

From Our Own Correspondent.

MONTREAL.—C. Howard Smith, in a letter to the Star here, expresses his satisfaction at the growth in Canadian ownership of Canadian enterprises.

Mr. Smith is president of the Howard Smith Paper Mills, and is an ex-president of the Canadian Manufacturers' Association.

"Canada is being developed to-day largely by Canadian brains, Canadian energy, Canadian industry and Canadian money," says Mr. Smith. He quotes the estimates of The Financial Post Survey, 1927, which shows $5,310,000,000 of foreign investments in Canada. This is only about 23 per cent. of the national wealth.

"This means, of course, that Canadians own the difference between the total national wealth and the amount invested by other countries, or about $17,000,000,000, as against the $5,000,000,000 owned by the investors of other countries," says Mr. Smith, concluding:

"The control and direction of Canada have been passing gradually into Canadian hands. We have passed through the various political stages, common to new countries, until we have complete self-government. We have also passed through the economic stages common to new countries until we now have agriculture and industry, finance, distribution and transportation progressing together, with the management of these enterprises largely in the hands of Canadians.

"This development is sometimes not appreciated because it has been so gradual, and, consequetnly, Canadians, through lack of information, do not realize what has been happening, and do not take sufficient pride in what Canadians have accomplished.

"We owe a great deal to our British and French ancestors, who helped us in the early stages of the country's development, or, in other words, its childhood. Since then we have been gradually learning to think and act for ourselves, all of which is a natural development as the country grows towards maturity. We have benefited by the co-operation of foreign countries, particularly that of the United States, in the investment of capital, and we shall no doubt benefit similarly in the future, but the outstanding and important fact is that Canadians have been gradually, but steadily, taking over the commercial and financial control of their own country and its resources, just as they have received political control; and that while we will continue to need, and will be glad to receive for some years, the available capital of other countries, the proportion of Canadian ownership and direction of capital and resources will continue to increase.

"This situation is not peculiar to Canada. It is taking place in other countries of the British Empire, such as Australia, New Zealand, and South Africa. It is a good thing, because it shows that the different parts of the British Empire are growing in a healthy way, are becoming more self-contained, and more capable of acting, not only for themselves, but for the Empire in times of crisis."

October Dividend Payments

Summary of Payments

Dividends	$25,699,945
Bond Interest	23,645,727
Total	$49,345,672

Industrials, Utilities, Etc.

Company	Rate	Date	Amount
Abitibi Pulp, com.	$1.25q	20	$ 312,500
Do. pref.	1¾q	1	17,500
Amer. Cyan. com.	1½+½q	1	128,668
Do. pref.	1½q	1	83,938
Amer. Salesbook, com.	$1q	1	30,730
Alta. Pac. Gran, pref.	1¾q	1	52,500
Asbestos Corp., pref.	1¾q	15	130,487
Arnold Bros., pref.	1¾q	1	17,700
Belgo. Can. Pap., com.	1½q	10	127,500
Do. pref.	1¾q	1	87,500
Bell Telephone	2q	15	981,608
Brand.-Hend., pref.	1¾q	1	8,750
Brazil. Trac., pref.	1½q	15	150,000
British Amer. Oil	20c. q	1	215,380
Building Products	1¾q	1	13,125
Burt, F. N., com.	75c q	1	79,545
Do. pref.	1¾q	1	1,724
Brant. Cordage, pfd. 1t.	2q	15	38,906
Do. pref.	50c q	15	17,000
Brompton, com.	50c q	15	70,000
Canada Biscuit, pref.	1¾q	-	61,582
Can. Paperboard, pfd.	1¾q	1	5,250
Canada Bread, 1st pfd.	1¾q	1	21,875
Do. pref. "B"	1¾q	1	43,750
Can. Canners, pref.	1¼q	1	113,927
Can. Car, pref.	1¾q	10	131,250
Can. Cement, com.	1½q	17	202,500
Can. Conn. Cotton, pfd.	1q	1	30,000
Can. Cottons, com.	2q	4	54,310
Do. pref.	1½q	4	54,922
Can. North. Pr., pref.	1¾q	15	87,500
Can. Gen. Elec., pref.	1¾q	1	149,759
Can. Indust. Alco.	32c q	15	810,233
Can. Loco., pref.	1¾q	1	26,250
Canadian Salt	2q	1	30,000
Can. Westinghouse	2q	1	148,658
City Dairy, com.	75c q	1	16,950
Do. pref.	1¾q	1	12,250
Canadian Oil	2q	1	40,000
Consumers Gas	2½q	1	300,000
C.P.R., com.	2½q	1	6,500,000
Do. pref.	2s	1	2,002,970
Carling Brew.	50c q	1	80,000
Can. Steamships, pfd.	1½q	1	225,000
Can. Fairbanks, pfd.	1¾q	15	22,500
Conduits, pref.	1¾q	1	4,375
Dom. Engineering	$2q	3	44,466
Dom. Power, pref.	1¾q	15	91,203
Dome Mines	25cq	20	238,333
Dom. Glass, com.	1¾q	1	74,375
Do. pref.	1¾q	1	45,500
Dom. Stores	60cq	1	45,000
Dom. Textile, com.	$1.25q	1	281,250
Do. pref.	1¾q	15	33,960
Dunlop Tire, pref.	1¾q	1	10,500
Duluth-Sup., pref.	$1q	1	15,000
Dom. Rubber	1¾q	1	52,500
Econ. Investment	2s	1	25,000
Fort Ww. Paper, pref.	1¾q	1	26,250
Fraser Co.'s, pref.	1¾q	1	40,687
Gilman Fanfold, com.	1½q	1	15,000
Do. pref.	1¾q	1	13,125
Goodyear Tire, pref.	1¾q	1	139,121
Goodyear Cotton, pref.	1¾q	1	8,312
Gould Pumps, com.	2q	1	14,950
Do. pref.	1¾q	1	13,080
Greening Wire, pref.	1¾q	1	11,375
Gotfredson Corp.	37½cq	15	37,500
Gurd, Chas., com.	50c	1	11,125
Do. pref.	1¾q	1	8,750
Hayes Wheels, pref.	1¾q	1	11,375
Hillcrest, com.	1½q	15	15,000
Do. pref.	1¾q	15	12,349
Hollinger Mines	2%	7	492,000
Holt Renfrew, pref.	1¾q	1	17,500
Howard Smith Pap., pf.	2q	10	31,994
Hunts, pref.	1¾q	1	5,250
Inter. Paper, pref.	1½q	15	46,410
Do. pref.	1¾q	15	833,704
Inter. Util. "A"	87½cq	15	114,842
Inter. Power, pref.	1¾q	1	87,500
Jam. Pub. Ser., pf.	$1.75q	1	16,062
Kaministiquia Pr., pf.	1¾q	15	21,848
Kerr Lake Mines	6cq	15	36,000
Laurentide Paper	1½q	3	432,000
Laurentide Power	1¼q	15	131,250
Laura Secord	1¾q	1	13,125
Mackay Cos., com.	1¾q	1	724,157
Do. pref.	1q	1	500,000
Maple Leaf. Mill., pf.	1¾q	18	51,275
Maritime Teleg., com.	1¾q	1	15,632
Do. pref. "A"	1½q	1	14,349
Do. pref. "B"	1¾	1	26,250
McKin. Indust., pref.	1¾q	1	17,500
Mercury Mills, pref.	1¾q	15	15,750
Montreal Teleg.	2q	15	40,000
Muirheads, com.	50c	1	14,002
Montreal L. H. & Pr.	50cq	31	1,020,918
Mt. Royal Hotel, pf.	1½q	1	101,607
Nat. Brew., com.	$1q	1	180,343
Do. pref.	1¾q	1	48,562
Nipissing Mines	1½q	20	90,000
Nor. Mex. Pr., com.	1q	1	100,000
Do. pref.	1¾q	1	52,500
Nat. Groc., pref.	2q	1	20,000
North Star Oil, pref.	1¾q	1	17,500
North. Ont. L & Pr, c.	1q	10	45,850
Ogi. Flour, c.	$1.25+$10*	1	843,750
Ott. L. H. & Pr., com.	1½q	1	52,500
Do. pref.	1⅝q	1	24,375
Ott. Mtl. Power, pref.	1¾q	15	13,125
Ottawa Traction	1q	1	55,815
Pacific Burt, com.	1½q	1	9,813
Do. pref.	1¾q	1	16,458
Page-Hersey, com.	75cq	1	83,340
Do. pref.	1¾q	1	52,500
Penn. W. & Pr.	2q	1	214,924
Porto Rico Rly., com.	$2	1	60,000
Do. pref.	1¾q	1	17,500
Premier Mining	8cq	4	400,000
Prov. Paper, pref.	1¾q	1	61,250
Price Bros., com.	½q	1	213,416
Do. pref.	1⅝q	1	113,750
Power Corp., pref.	1½q	15	37,500
Pressed Metals, pref.	1¾q	1	5,590
Quebec Power, com.	2q	15	80,526
Rogers, Wm., pref.	1¾q	1	19,649
Shawinigan W. & Pr.	50cq	10	137,500
Shredded Wheat	75cq	1	300,000
So. Can. Pr., pref.	1½q	15	72,977
Span. River Pap., com.	1¾q	15	165,322
Do. pref.	1¾q	15	150,840
Stanfields	$1q	10	10,000
St. Maur. Val., pref.	1¾q	1	140,000
St. Maur. Pr., com.	1q	15	72,000
St. Law. Paper, pref.	2q	..	50,000
Trinidad Elec.	1¼q	10	14,500
Tuckett Tob., com.	1q	15	25,000
Do. pref.	1¾q	15	35,000
Twin City, com.	$1q	1	220,000
Do. pref.	$1.75q	1	52,500
Traymore Cafet., pfd.	1¾q	1	14,825
Tooke Bros., pref.	1¾q	15	17,237
United Secs., pref.	1½q	1	76,879
Wabasso Cotton	$1+50cq	3	78,750
West. Groc., pref.	1¾q	15	20,899
Winnipeg Elec., pref.	1¾q	1	52,500
West. Koot. Pr., pref.	1¾q	1	8,750
Woods Mfg., Pref.	1¾q	1	26,744
			$24,269,692

Banks

Company	Rate	Date	Amount
Dominion	3q	1	180,000
Montreal C. & D.	$2.50q	2	50,000
Nova Scotia	4q	1	400,000
			$630,000

Loan, Trust, Insurance

Company	Rate	Date	Amount
Canada Landed	2½q	1	30,125
Can. Permanent	3q	1	210,000
Can. Perm. Trust	1¼	1	12,500
Canada Life	5q	1	50,000
Central Can. Loan	3q	1	52,500
Chartered Trust	1¼	1	6,511
Crown Trust	1½q	1	7,500
Can. Mtge. Invest.	3s	1	37,365
Dom. of Can. Guar. Ins.	4¼q	1	17,127
East. Can. Savings	2q	1	15,000
Eastern Trust	2q	1	20,000
Guar. of N. Amer.	3q	15	9,138
Huron & Erie Mtge.	1¾q	1	87,500
Imperial Life	3¾q	1	28,125
Landed Banking	2½q	1	25,000
Montreal Trust	4¼q	15	42,500
National Life	2½q	1	6,250
National Trust	3q	1	67,500
Ont. Loan & Deb.	3q	1	52,500
Sun Life	6¼q	1	97,500
Tor. Gen. Trusts	3q	1	60,000
Toronto Mortgage	2½q	1	18,112
Toronto Savings	3q	1	30,000
Union Trust	1¾q	1	17,500
			$1,000,253

q—Quarterly.
s—Half-yearly.
*—Bonus.

Bond Interest Due in October

Company	Rate	Int. Date	Due	Amount
Amer. Salesbook	6	1	1939	$ 27,900
Arnolds	6	1	1947	39,000
Atlantic Sugar	5	1	1941	96,905
Algoma Steel	5	1	1962	384,157
Bathurst Co. "B"	6½	1	1941	42,233
Brand.-Henderson	6	1	1936	8,265
B. C. Electric	4½	15	....	20,520
Booth Bldgs.	6s	1	1937	24,375
Canada Cement	6	1	1929	136,293
Can. Steamships	6	1	1941	540,000
Can. Pac. Rly.	5	15	1934	300,000
Can. Paperboard	7	1	1937	24,850
Can. Cons. Felt	6	1	1940	7,320
Can. West. Nat. Gas	5	15	1936	29,335
Carleton House	6½	1	1947	2,567
Can. Niagara Power.	6	1	1932	149,400
Do. "C"	6	1	1932	45,000
City Gas of London	6	1	1947	6,750
Davidson, Thos. Mfg.	6	1	1942	5,550
Dom. Tug & Barge	7	1	1947	7,875
Dom. Power & Trans.	5	1	1932	136,300
Dom. Rubber	6	1	1946	78,000
Dryden Paper (lien notes)	6	1	1928	9,120
Do. deb. stock	6	1	1945	33,000
Devonshire Aprts.	6½	1	Serial	14,625
Dom. Canners	6	1	1940	44,070
East. Koot. Pr. "A".	7	1	1942	68,635
Do. "B"	7	1	1942	10,500
Goodyear Cotton	6	1	1941*	9,000
Gould Pumps	6	1	1942	21,450
Hayes Wheel	6	1	1942	18,000
Ken. Manor Apts.	7	20	Serial	3,325
Laidlaw Bale Tie	7	2	1937	8,750
Lethbridge Brew.	7	1	1937	14,000
London Realty	6½	1	1941	24,375
Manufacturers' Bldg.	7	15	Serial	5,040
Manitoba Paper	6½	1	Serial	130,000
McKinnon Ind.	6½	1	1945	32,500
Minn & Ont Pap. "A"	6	1	Serial	480,000
Mont. L. H. Cons.	5	1	1951	750,000
Do. (Lachine)	5	1	1933	71,525
Mount Royal Hotel	8	1	Convert.	1,038
Mont. Tram. "A"	5	1	1955	445,662
Do. "B"	5	1	1955	62,500
Milton Brick	6	1	Serial	9,450
Nor. Ont. Bldg.	6½	1	1939	27,625
N.S. Trams. "A"	7	1	1952	50,785
National Realty	7	1	1945	8,750
Pachuca L. & Pr.	5	1	1967	96,000
Pacific Burt.	6½	1	1937	9,620
Penn. W. & Pr. "A"	5½	1	1953	82,500
Port Alfred Pulp	6½	1	1943	186,891
Quebec Power	6	1	1953	150,000
Rio De Janeiro	5	1	1958	573,982
Shawinigan "D"	5½	1	1954	41,250
Do. "E"	5	1	1955	66,750
Simpsons, Ltd.	6½	1	1945	177,677
So. Can. Power "A".	5	1	1955	150,000
Sherbrooke St. Realty	8	1	1938	6,000
Tooke Bros.	7	1	1942	10,202
Timmins	6½	1	Serial	910
Victoriaville Furn.	6	1	1936	5,250
Winnipeg Elec.	6	1	1954	210,000
Do. Ref. Mtge.	5	2	....	109,500
Woods Mfg.	6	1	1943	26,220
York St. Bldg.	6½	1	1940	5,200
Corporation Bonds				$6,371,272
Municipal Bonds				x4,062,500
Provincial Bonds				x3,199,032
War Loan	5	1	1931	1,323,290
Do. Refunding	5	15	1928	1,325,000
Do. Refunding	5	15	1943	3,675,000
Do. Refunding	4½	15	1944	1,125,000
Pub. Service Loan	5	1	1931	625,000
C.P. Land Grant	2½	1	1947	61,101
Dom. Loan Grant	4	1	1940-60	1,878,532
Total				$23,645,727

xFigure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

Logging Operations Commence

Woodstock, N. B.—Preparation is now being made for logging. In some sections crews have already entered the woods to build camps and bridges and prepare in a general way for later activities. Indications from the Tobique are that there will be greater activity in that section during the coming winter than last.

THE SHERIDAN NURSERIES LIMITED
offer
CANADIAN GROWN
Evergreens, Trees, Shrubs, Perennials, Alpines, Vines, Roses
HEAD OFFICE
4 St. Thomas St., Toronto 5
Nurseries, 260 acres, Clarkson, Ont.

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LIMITED
Montreal, P.Q.
ENGINEERS, MANUFACTURERS and ERECTORS of STEEL STRUCTURES
HEAD OFFICE AND WORKS: Lachine Locks, P.Q.
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ANGLIN-NORCROSS
(LIMITED)
Contracting Engineers and Builders
MONTREAL :: TORONTO

Business That Will Not Wait

CERTAIN banking transactions call for instant action. Quick decisions must be quickly communicated.

Such occasions are well served by our private wires, which link the large business centres of Canada, the United States and Cuba.

This service is always at the disposal of our customers.

G616

The Royal Bank of Canada

FIVE YEAR BONDS

Five years is the usual term of a mortgage. "Canada Permanent" Coupon Bonds are issued for the same period, bearing interest at
FIVE PER CENT.
per annum, payable half-yearly.

Investors in these Bonds receive their interest the day it is due. Those who, to obtain a slightly higher rate, lend on mortgage security not only cannot be sure of prompt payment of interest, but have to see that buildings are kept insured, taxes paid and attend to many other details the omission of which might jeopardise their investment.

Please let us send you full particulars of "Canada Permanent" Bonds which are a recognized high-grade security and a legal investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET TORONTO
Established 1855

Power For Any Purpose

Approved Industrial and Municipal Equipment

SCHRAMM AIR COMPRESSORS
MIAMI BACKFILLERS
ANTHONY DUMP BODIES
WHITEHEAD AND KALES CRANES
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HOLLEY GOVERNORS
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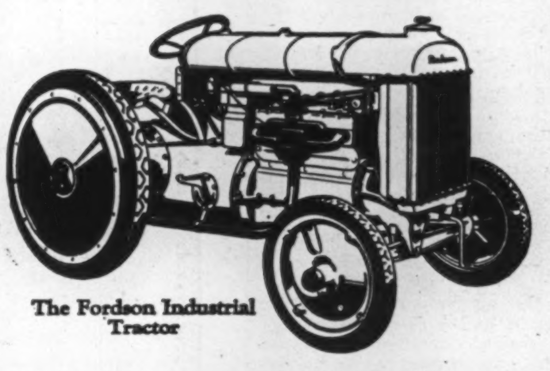
HADFIELD PENFIELD GRADERS
ALLISON HOISTS
CLYDE HOISTS
F. & N. LAWN MOWERS
BROOKVILLE LOCOMOTIVES
TOM HUSTON LOG SKIDDERS AND STUMP PULLERS
DETROIT MOWERS
TOM HUSTON ROAD PLOUGHS
DEARBORN POWER PLANTS
SMITH UNIT PULLEYS
HADFIELD PENFIELD ROAD ROLLERS
TURNER SAW MILLS, LATH MILLS AND PLANERS
TURNER TREE AND LOG SAWS
MIAMI WHEEL SCRAPERS
PERRY SHOVEL SCRAPERS
SARGENT ROAD SNOW PLOUGHS
NESCO SIDEWALK SNOW PLOUGHS
UNIVERSAL POWER SHOVELS
W. & K. DETROIT SNOW AND STREET BRUSHES
WHITEHEAD AND KALES TANKS AND FLUSHERS
TOM HUSTON WOOD-SAWS AND SPLITTERS
JAEGAR WATER PUMPS
WHITEHEAD AND KALES WHEELS
JAEGAR WOOD-WORKERS



The Fordson Industrial Tractor

FORDSON TRACTORS have established remarkable records in the new industrial era.

They have won the endorsement of the industrial world because of their power, economy, ease of handling and everyday reliability. Inter-plant hauling is far less expensive and much more efficient where Fordsons are used. Factory yards and roads are built and maintained with the same equipment.

This new source of industrial power is used for logging, road grading, saw mills, hoisting and hundreds of other purposes, performing equally well as mobile units for heavy duty hauling as for stationary power plants operating belt or gear driven machinery.

If you employ motive power in your business it will pay you to consult one of the following Authorized Distributors for Ford Industrial Equipment:

W. C. WARBURTON COMPANY, LIMITED
844 Bathurst St., Toronto
C. O. MONAT & COMPANY, LIMITED
5644 Park Avenue, Montreal
K. C. IRVING
300 Union St., St. John, N.B.
DOMINION MOTORS, LIMITED
Fort St. and Graham Ave., Winnipeg
UNIVERSAL MOTOR CARS, LIMITED
Cor. 9th Ave. & Second St. W., Calgary, Alta.
B. C. TRACTOR EQUIPMENT CO.
1350 Richards St., Vancouver, B.C.

Proven Uses of Fordson Powered Equipment

BACKFILLING
BELT POWER WORK (All Kinds)
CLAY HAULING
CEMETERY WORK
CRANE WORK
CRAWLERS FOR HEAVY DUTY HAULING
DITCHING
EXCAVATING
FIRE EQUIPMENT
GARBAGE COLLECTING
GOLF COURSE BUILDING AND MAINTENANCE
GRADING
HAULING (All Kinds)
HOISTING
HOUSE MOVING
LEVELLING LAND
LAND CLEARING
LOADING
LOGGING OPERATIONS
MAINTAINING HIGHWAYS
MOVING FREIGHT CARS
MOVING HEAVY MACHINERY
MOWING (All Kinds)
MUNICIPAL WORK
PAVING
PILE DRIVING
PUMPING
ROAD BUILDING
ROADSIDE WEED CUTTING
ROCK DRILLING
SWITCHING
STUMP PULLING
SAWING WOOD
SAWMILL WORK
SNOW REMOVAL
SCRAPING
SHOP USES
SKIDDING LOGS
SUBDIVISION WORK
SAND BLASTING
STATIONARY POWER PLANTS
STRETCHING CABLE
STREET SPRINKLING AND SWEEPING
TELEPHONE WORK
TRANSFER WORK
TRENCHING
UNLOADING CARS
WELDING
WELL DRILLING
WINTER LOGGING OPERATIONS
WINTER ROAD MAINTENANCE

Ford
INDUSTRIAL EQUIPMENT
FORD MOTOR COMPANY OF CANADA, LIMITED

Public Utilities

MONTREAL POWER AND WESTMOUNT ARE WAGING WAR

City Circularizes Citizens—Private Company Advertises Its Position

From Our Own Correspondent.

MONTREAL.—The war between Montreal Power and the municipal distribution system of the city of Westmount continues, with the city of Westmount sending circular letters to its customers, and with the Montreal Light, Heat, and Power Consolidated publishing large sized advertisements in the daily press urging Westmount citizens to place their faith in the private corporation and to purchase their power requirements in future from Montreal Power.

The trouble between the two power distributors arose when Montreal Power circularized its gas customers in the city of Westmount, and offered them customer ownership stock in the company, provided that they changed the source of their power supply from the municipal distribution system of Westmount to that of the privately owned company.

The City of Westmount countered this move by reducing the light rate below that prevailing in Montreal. Montreal Power immediately reduced its rate also—but it only made the reduced rate applicable to customers of the Westmount municipal service.

In a circular letter to its customers, the Westmount light and power department states that the municipal distribution system came into existence in 1904 because the private corporation increased its rates.

The Rates Compared

The city of Westmount quotes the rates which have been enforced during the past twenty years in the two municipalities as follows:

Year Ending 31/10	Municipal to Westmount	Private Corporation to Montreal
1907	10c	12¾c
1908	10c	12¾c
1909	10c	10c
1910	8c	9c
1911	7½c	7½c
1912	7c	7c
1912	6c	6 2-5c
1913	6c	6c
1914	6c	6c
1915	6c	5c
1916	5c	5c
1917	5c	5c
1918	5c	4 4-5c
1919	4¾c	4 4-5c
1920	4¾c	4 4-5c
1921	4¼c	4 4-5c
1922	4c	4¼c
1923	4c	4c
1924	4c	3½c
1925	3½c	3½c
1926	3½c	3½c

The private corporation offers an immediate gain to the citizens of Westmount by its offer of selling customer ownership stock at $50 per share. While the customers of the Westmount service could undoubtedly make an immediate profit by accepting the Montreal Light, Heat and Power Consolidated's offer, yet there exists a strong community spirit within the municipality. Thus, while undoubtedly the private corporation will increase its customers in Westmount, it is thought that very many of the Westmount users of power will refuse to accept the offer made by the power company.

Private Capital Seeks Yorkton Power Plant

Three offers have been made to the city council of Yorkton to purchase its light and power plant.

The three tenders received were from the Midwest Utilities, Ltd., the Northwest Light and Power Co., and the Montreal Engineering Co. These three firms have been buying up power plants throughout Saskatchewan for some time and are now in control of a number of systems.

Each company made concessions, the offer of the Midwest Utilities appearing the most clear cut. In this only a slight reduction in the domestic rate was offered by the company, in addition to taking care of all capital charges outstanding at December 31, 1926, and offer to the town of $25,000 cash. Exemption from taxation for five years is asked.

The Northern Light and Power Co. offers $190,000 cash with reductions in street lighting and pumping charges aggregating $3,000 per annum. This company will pay taxes of about $3,000 per annum while the reduction in rates to consumers, it was stated, would amount to $9,000 per year. This firm also pointed out that it was the intention to use Yorkton as the northern terminus of a distribution system running from Estevan to this town. The question of debenture debt, it was pointed out, could be taken care of by investing the cash payment and by utilizing the revenue saved in street lighting and pumping and that received from taxation.

The offer of the Montreal Engineering Co. was for $150,000, not cash, the conditions of the bid being very similar to those of the Northern Light and Power Co. in respect to debenture debts. The amortization of this over a period of 40 years was mentioned. Reductions in all rates were also offered.

In connection with the last two firms named, the debenture debt, amounting to $327,000 at December 31, 1926, appeared the stumbling block.

Public Utility Earnings

Can. Western Natural Gas

	1927	1926
August	$57,701	$46,515
Jan. 1 to Aug. 31	1,020,902	694,570

Monterey Rly., Light and Power

3 Mos. to Mar. 31, 1927—	Gross	Expenses, includ. provision for ren. obsoles.	Surp.
R. Light and Pr.	$242,067	$246,015	$x3,947
Water. and Sewage	65,598	41,479	24,119
Total	$307,666	$287,495	$20,171

xDeficit.

B. C. ELECTRIC

	1926	1927	Increase
Gross Earn.	$ 998,343	$1,031,843	$ 33,500
Expenses, Maintenance &c.	733,785	762,098	28,313
Aggr. Gross from 1st July to 31st July, 1927	$988,343	$1,031,843	$33,500
Aggr. net from 1st July to 31st July, 1927	$264,558	$ 269,745	$ 5,187

WINNIPEG ELECTRIC

July—	1926	1927	Increase
Gross Earn.	$422,903	$449,524	$ 26,621
Expenses	291,787	306,275	14,488
Net Earn.	131,116	143,249	12,133
Net income	$264,558	$269,745	$ 5,187
Aggr. Gross from 1st Jan. to end of July	3,187,327	3,461,624	274,297
Aggr. Net from 1st Jan. to end July	1,131,034	1,233,438	102,404

Barcelona Traction

August	*1927 Pesetas	1926 Pesetas	Increase Pesetas
Gross earn. from oper.	6,638,329	6,334,383	303,946
Oper. exp.	2,234,199	2,240,029	†5,830
Net earn.	4,404,130	4,094,354	309,776
Aggre. gross earn. from Jan. 1	57,088,087	55,344,294	1,743,793
Aggre. net earn. from Jan. 1	39,692,991	37,242,571	2,450,420

*These figures include the earnings of the newly acquired Gas Company de Mataro.

†Decrease.

Manitoba Power Adds Another Town

From Our Own Correspondent

WINNIPEG.—The village of Lac du Bonnet, one of the fast-developing suburban areas in the Greater Winnipeg territory, has recently executed a long term exclusive franchise with the Manitoba Power Company, for the supply of all the electrical service requirements within the village at very remunerative rates to the company.

With the inclusion of Lac du Bonnet, practically all of the territory outside of the City of Winnipeg is served exclusively with power either from the Winnipeg Electric Company or the Manitoba Power Company, under long term franchises.

BRAZILIAN TOPS 200; ANTICIPATE SPLIT IN STOCK

Current Yield is 3 Per Cent. But Future of Company Bright

Brazilian Traction common stock has sold in the last week at $200 the share. This bears out an old prediction.

The stock is on a 6 per cent. dividend, so that a $200 price means practically 3 per cent. on the investment. Montreal Power and Shawinigan, to which Brazilian has been compared, sells on 2½ per cent. basis. Brazilian is a power and traction utility, as are Montreal Power and Shawinigan. In addition, Brazilian Traction is a telephone company, comparable to Bell of Canada.

Report Split Certain

It is fairly certain, in the opinion of many, that there will be a four-for-one split in this stock and that there will be an increase in the dividend, perhaps to $2, of 8 per cent. on the present stock. In the year ended last December 31st., the company showed earnings of $10.45 on the common stock, compared with $7.18 in 1925, $6.60 in 1924 and $2.47 in 1921. The company paid its first post-war dividend of 2 per cent. in 1922, a 4 per cent. rate was maintained through 1923, 1924 and 1925, 5 per cent. was paid in 1926 and the present rate of 6 per cent. was established with the first quarter of the current year.

Figured in dollars, the net income of the company has shown a decrease in five or the eight months of the present year for which figures are so far available. But in milreis, earnings have been increasing substantially.

Comparisons of net income are difficult for the reason that a year ago the milreis, the currency of Brazil, was worth several cents more in the foreign exchange markets than since the government of Brazil initiated a stabilization policy late last year. As soon as the monthly figures can be compared with last year's figures converted into dollars on the present rate of exchange, the monthly statement of net income will show a remarkable change.

Will Continue to Progress

While the attainment of the $200 mark may be hailed as an evidence of accurate prediction, there should be no investors so unwary as to believe that this price is likely to be maintained under all conditions of the market.

There is every reason to believe that the company will continue to progress, that Brazil is a country of stabilized government and embarking on a era of development which will be beneficial. There is reason to believe that international conditions will promote corporate and individual welfare and there is every confidence in continuance of a management which has brought the company through difficult times, has resisted the temptation to secure additional capital by the flotation of bonds and has persistently ploughed back earnings in such a fashion that the ultimate return to the investor will be highly satisfactory.

Murdoch Ferguson is Supervisor

The Dominion Life Assurance Company announces the appointment of Murdoch Ferguson, formerly manager of the Hamilton branch, to the position of supervisor of agencies for Ontario, with headquarters at Toronto.

SAY T. EATON CO. WILL ADD STORES THROUGH WEST

(Continued from page 1)

West. They checked density of population, wages paid, and future prospects. They also checked up closely, it is said, on present and likely competition for business. Nothing has yet been done,

The cold draught which the ever-spreading use of the automobile is sending through the mail-order business is said to be the cause underlying recent interesting developments taking place in the T. Eaton Company, Ltd., Toronto and Winnipeg. This explanation, at least, is offered by Printer's Ink, New York.

For many years this concern has operated very large department stores at these centres. Two years ago a large retail business in Montreal was acquired and plans for a retail building to consist eventually of twelve floors, have just been passed for Hamilton, Ont. In addition the company has long operated direct-mail warehouses at both headquarters, as well as at Moncton in the East, and Saskatoon and Regina in the West. A year or two ago it was estimated by the Canadian Business Research Bureau that the Eaton sales amounted to $15 per capita of the population of Canada and that the company was the fifth buying power on the continent.

To offset the competition of the chain grocery stores, the Eaton concern has established groceterias at various points, including Brandon, Regina, Saskatoon, Edmonton, Calgary and Fort William. Each of these centres is a market point for wide and well-settled agricultural districts which at one time produced a highly satisfactory direct-mail revenue. With the advent of the chain grocery store, however, their productiveness in that line of merchandise shrank as the farmers used their automobiles more and more to drive to town.

Following this first adventure into the field of retail selling outside the company's old established centres in the big cities, Eaton-operated retail stores have been opened at various other points. These branch stores are not being operated openly as Eaton establishments, but are being given different titles in each case. For the present only a few lines are being carried, such as dry goods and men's furnishings, but as these lines have already been added to in some cases, it is obviously the intention of the company eventually to develop these branches into regular department stores.

At certain places branch mail-order establishments are being operated in addition to retail stores, the two being kept separate as the mail-order office carries on under the company's name. In Sudbury, an important centre in the rapidly developing territory of Northern Ontario, suitable premises have been secured and completed for the opening of a retail store. Sudbury has also an Eaton mail-order branch. This latter is a development which the company is carrying out in a number of the larger strategical centres throughout the country, notably at Brampton, Oshawa and Kitchener. Such branch mail-order offices are elegantly furnished and supplied with a display of samples representative of the merchandise offered in the mail-order catalogs of which there are two—one for the East and one for the West. At all these offices goods may be ordered from catalog, relayed to Toronto and shipped thence the following day.

The quiet, steady pushing out into new territories which the Eaton company is engineering without any heralding by trumpets is being watched with interest generally, and with uneasiness in some quarters. It is realized that the able management which has distinguished the company from its foundation, its policy of making haste slowly, its enormous ramifications including four buying offices in the British Isles, two on the continent of Europe, and one each in New York and Montreal, says Printer's Ink, may well develop a situation that will revolutionize the retail trade of Canada.

Safeguarding Your Savings

Our current list contains a very informative review of several well seasoned Public Utility Securities.

If interested in Public Utility Securities, you should have this list. Write for a complimentary copy now.

FLOOD, BARNES & CO.
LIMITED
Investment Bankers
INSURANCE EXCHANGE BUILDING
145 Notre Dame Street West
MONTREAL

NEW ISSUE

$5,000,000

Fraser Companies, Limited

6½% 15-Year Gold Debentures

To be dated October 1st, 1927, maturing October 1st, 1942. Principal and semi-annual interest payable at The Royal Bank of Canada, Montreal, Toronto, Winnipeg, Vancouver, Saint John or Halifax, or, at the option of the holder, at the Agency of The Royal Bank of Canada, New York, in United States gold coin or its equivalent, or at The Royal Bank of Canada, London, England, at the rate of $4.86⅔ to £1. Coupon Debentures of $1,000 and $500 denominations, with privilege of registration as to principal. Callable as a whole or in part, at the option of the Company on sixty days' notice, at the following prices and accrued interest: at 104 up to and including October 1st, 1931; thereafter at 103 up to and including October 1st, 1935; thereafter at 102 up to and including October 1st, 1939; thereafter at 101 up to and including October 1st, 1941; and at 100 thereafter until maturity. Trustee: Montreal Trust Company.

CAPITALIZATION
(On completion of this financing)

	Authorized	Outstanding
6% First Mortgage Sinking Fund Gold Bonds, due 1950	$10,000,000	$ 7,664,500
6½% 15-Year Gold Debentures	6,000,000	5,000,000
7% Cumulative Redeemable Convertible Preferred Shares	3,000,000	2,325,000
Common hares, no par value	312,000 shs.	300,000 shs.

Holders of Debentures will have the right, for each $1,000 Debenture held, to purchase 2 shares of no par value Common Stock of the Company at a price of $40 per share up to and including October 1st, 1929; at $45 per share up to and including October 1st, 1931; at $50 per share up to and including October 1st, 1933. Should Debentures be called for redemption prior to October 1st, 1933, this right may be exercised within the period provided in the Indenture.

Descriptive circular, copies of which will be supplied upon request, contains a letter from Mr. Archibald Fraser, President of Fraser Companies, Limited, from which he summarizes:—

Fraser Companies, Limited, which, with its predecessors, has been in successful operation for fifty years, is one of h largest Canadian manufacturers of bleached and easy bleaching sulphite pulp, and through its wholly owned subsidiary, Fraser Paper, Limited, is an important producer of high-grade sulphite papers. It is also one of the leading manufacturers of lumber in Eastern Canada.

The Company is constructing extensive additions to its principal plant at Edmundston, N.B., and to that of its subsidiary, Fraser Paper, Limited, at Madawaska, Me., which will have the effect of approximately doubling its present production of finished high-grade sulphite paper and pulp products. Upon completion during 1928 of this construction and the installation of additional paper machines, the Company, with its subsidiary, will have a capacity for sale of approximately 130,000 tons per annum of high-grade sulphite paper and pulp products. Power for the operation of additional units being installed at Edmundston will be obtained under long-term contract, over the Company's own transmission line from Grand Falls, N.B.

The Company controls directly and through wholly-owned subsidiaries, valuable timber areas in the Provinces of Quebec and New Brunswick aggregating 4,547 square miles and estimated to contain over 11,000,000 cords of pulpwood and 4,000,000,000 feet b.m. of spruce, pine and cedar logs.

The Company controls saw mills with an annual manufacturing capacity of over 200,000,000 feet b.m. of spruce lumber, in addition to a large production of shingles, laths and railway ties.

The Debentures will be issued under Trust Indenture containing customary covenants, and among other provisions, the rights described therein to holders to purchase the Common Shares of the Company.

The proceeds of these Debentures will be applied toward payment for the additional construction and installations above referred to—the balance of the cost of these additions being provided out of the proceeds of the issue of $1,664,500 of 6% First Mortgage Bonds now being issued—and for the general corporate purposes of the Company.

Plants, properties, timber limits and other fixed assets owned by the Company and by Fraser Paper, Limited, according to consolidated balance sheet, adjusted to include the proceeds of present financing, but after deducting depreciation and depletion reserves of $4,492,017 and excluding advances to and investments in certain subsidiaries amounting to $1,958,503 had a book value as at July 31st, 1927, of $19,013,085, and net current assets had a book value of $4,337,471, making a total of consolidated fixed and net current assets of $23,350,556, which after deduction of First Mortgage Bonds to be outstanding leaves a surplus of $15,686,056, or over $3,100 for each $1,000 Debenture to be outstanding.

Annual earnings, after deducting operating and maintenance expenses, local taxes and bank interest, but before depreciation and depletion, and available for bond and debenture interest, were:

Average for 4 Years ended December 31st, 1926	$1,182,433*
12 Months ended December 31st, 1926	1,441,935*

*Including Fraser Paper, Limited, for the year 1926 only.

Earnings on the same basis for the 7 months ended July 31st, 1927, as certified by Messrs. George A. Touche & Co., Chartered Accountants, were $848,443. It is estimated that earnings for the year ended December 31st, 1927, before depreciation and depletion, will be not less than $1,500,000, equivalent after deducting annual bond interest requirement of $459,870 to $1,040,130, or at the rate of 3.2 times annual interest on Gold Debentures of $325,000. This estimate does not take into consideration any profits from the increase of approximately 100% in the production of finished paper and pulp products which the Company will have for sale on completion of present construction, the first producing unit of which it is anticipated will be in operation by January, 1928.

We offer these Debentures for delivery if, as and when issued and received by us and subject to approval by our counsel of all proceedings, at—

99½ and accrued interest, to yield about 6.55%

ROYAL SECURITIES CORPORATION
LIMITED

WOOD, GUNDY & COMPANY
LIMITED

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

ARNOLD'S MAY PAY TWO DIVIDENDS AT END OF YEAR

(Continued from page 1)

expense, thus insuring earning of the dividends.

New Guelph Store Successful

Arnold's opened a new store in Guelph last week, making the total number now in operation 69. Sales of the new stores are understood to have totalled over $2,000 on the first day, indicating that the citizens of Guelph are prepared to give the store full support.

Arnold's sales, it is estimated. will total about $9,000,000 for the year to March 31 next. Original estimate of the directors was $12,000,000 a year, based upon 100 stores, but this number will be reached only in time. Sales at the present time are running in the neighborhood of $125,000 a week, which is well above the summer figure, but which is believed to be much less than will be attained when fall and winter business gets into full swing.

Sales at the present rate are believed to be well above the amount required to earn all charges and preferred dividends, while any improvement in weekly sales will increase profits at a rate faster than the increase in sales. This is because the stores are operating at below their capacity, having been designed to allow for expansion, and larger sales can be handled by the individual stores without great increase in expense.

Third of Chains in Canada

Sales of $9,000,000 a year would put Arnolds third among the chain food stores of Canada. Other stores with higher turnover, compare with Arnold's as follows:

	Stores	Sales estim. for 1927
Dominion Stores....	500	$18,000,000
Loblaw's Groceterias	65	13,000,000
Arnolds	69	9,000,000

No other food chains in Canada approach these figures.

On the basis of sales of $9,000,000 a year, it is estimated that Arnold's could earn about $2 a share on the common which would be increased to $5 a share with sales of $12,000,000 a year.

CANADIAN CHAIN STORE BONDS SOLD

U.S. Offering is Made This Week — Canadian Participation

An issue of $1,100,000 first mortgage sinking fund bonds, series A, 6 per cent., of the Metropolitan Corporation of Canada, Ltd., are being offered in the United States this week by Carman, Snider and Co., of New York and Willison-Neely Corp., of Toronto. A strong syndicate will offer these bonds in Canada next week, half of the total issue being reserved for this purpose.

Metropolitan Corp. of Canada has been organized to acquire ownership in fee of centrally located chain store properties in ten of the principal cities in Ontario, Quebec, New Brunswick and Nova Scotia. The Canadian corporation, as well as the Metropolitan Stores, Ltd., are owned in their entirety by Metropolitan Chain Stores, Inc., which operates directly or through subsidiaries a total of 90 chain store properties in the United States and Canada.

Interest and sinking fund on these bonds are payable from monthly rentals under leases to Metropolitan Chain Stores, Inc. (U.S.A.) and Metropolitan Stores, Ltd., (Canada).

Particulars of the issue follow:

$1,100,000
Metropolitan Corporation of Canada
1st Mortgage Sinking Fund Gold Bonds, Series A, 6 per cent.

Dated Oct. 1, 1927. Due Oct. 1, 1947.

Company—Owns 10 store properties in Canada. This company as well as the Metropolitan Stores, Ltd., is owned in entirety by Metropolitan Chain Stores, Inc., which operates directly or through subsidiaries, 90 stores.

Security—A direct first mortgage on the 10 Canadian properties owned in fee by the corporation and by deposit with the Trustee of the 25 year leases of these properties to Metropolitan Chain Stores, Inc., and Metropolitan Stores, Ltd.

Assets—On the basis of reproduction value less depreciation have been placed at $1,840,075.

Earnings—Leases of the properties of the corporation extend for 25 years and provide for the payment by Metropolitan Stores, Ltd., and Metropolitan Chain Stores, Inc., of all taxes, insurance and miscellaneous incidentals to maintaining the stores and an aggregate cash rental of $240,000.

Purpose of Issue—Proceeds will be used in acquisition of properties by Metropolitan Corporation of Canada, the retirement of certain indebtedness against such properties and other corporate purposes.

General—Management will be in the hands of Mr. E. W. Livingston, president, formerly executive and director of J. G. McCrory Co.; A. N. McFadyen, vice-president and general manager, formerly vice-president and director of S. S. Kresge Co., and W. P. Zeller, director of sales, formerly with the F. W. Woolworth Co., in Canada.

Offer—Carman, Snider and Co., New York, and Willison-Neely Corp., Toronto, at 99 and accrued interest, to yield over 6.05 per cent.

MINE MEN IN RUSH TO CLERICY AREA

Believed Dr. Haine Has Proven Existence of Big Ore Bodies

From Our Own Correspondent.

ROUYN.—What is described as the greatest rush in the history of the great copper-gold fields of Rouyn has been witnessed at Clericy during the past week. Engineers, geologists, mine managers and prospectors, as well as leading financiers, have visited the Windfall and Harvie properties and the prices on mining claims have soared as companies from other sections of the Rouyn field have rushed in to share the boom which is heralded for Clericy.

Clericy has one great advantage over all others in that the railway goes right through it and pullmans carry visitors to within sight of the Windfall and Harvie operation. This, of course, is a great advantage from every standpoint and may be reckoned a factor in the growing popularity of this section.

For over two years the Rouyn area has been waiting for Robert Harvie to solve the geological problems of a tremendous stretch of mineralized rock and coincident with the Davis discovery on the Windfall-Harvie line, near the station, the Harvie diamond drills, almost three miles to the south-east, have convinced the mining world that large ore bodies are likely to be found at a number of points.

The Windfall company, under the dynamic direction of J. A. Davis, has, in the course of ten days, gathered under its banner most of the leading mining men of Quebec and the subscription list was closed almost as soon as it was opened. The directors have been forced to decline applications for stock from mining men whose names would be considered an ornament to any list of shareholders in the country.

In addition to the Harvie companies, which control a strip of over six miles in length on the mineralized belt, a number of other companies have been working patiently for some time.

These developments should mean a good deal to such companies as the Laurier Mines, who once more are profiting from their policy of sitting next door to leading prospects to the Copper Hill Mines, which adjoin the Harvie property on the north and to the Clericy Mining Company, whose holdings tie on to the Harvie south east border.

Morrow Appointment Helps Mexican States

That the appointment of Dwight W. Morrow, a partner of J. P. Morgan & Co., as United States ambassador to Mexico, is expected to have a stabilizing influence, is shown by the firming of prices on Mexican securities, especially in the London market.

Mexican Light & Power preferred has been maintained at 80, compared to the latest Toronto quotation of 75½. The common in London has risen to 65½, compared to an August 24th quotation in Toronto of 30.

Mexican government bonds also were firmer on the London market following announcement of the appointment.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1927:

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of November to Shareholders of record of the 21st day of October, 1927.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1927.

By order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que.,
26th Sept., 1927.

Woods Manufacturing Company, Limited

PREFERRED STOCK DIVIDEND NOTICE

The regular quarterly Dividend of One and Three-Quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending September 30th, 1927, has been declared, payable October 3rd, 1927, to Shareholders of record September 30th, 1927.

By Order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, September 30th, 1927.

Western Grocers Limited

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the New Preference Stock of Western Grocers Limited, has been declared for the quarter ending September 30th, 1927, payable October 15th, 1927, to shareholders of record, September 30th, 1927.

By Order of the Board.

W. P. RILEY,
President.

Winnipeg, September 21st, 1927.

CHRISTIE, BROWN & CO. LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of thirty cents (30c) per share on the issued Common Shares in the Capital Stock of this Company for the period from the first day of August to the thirty-first day of October, 1927, has been declared payable to the Shareholders of Record at the close of business on the fifteenth day of October, 1927, and that such Dividend be payable on the first day of November, 1927.

By Order of the Board,
J. C. MILLAR, Secretary.

CHRISTIE, BROWN & CO. LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and three-quarters per cent. (1¾%) on the issued Preference Shares in the Capital Stock of this Company for the period from the first day of August to the thirty-first day of October, 1927, has been declared payable to Shareholders of Record at the close of business on the twentieth day of October, 1927, and that such Dividend be payable on the first day of November, 1927.

By Order of the Board,
J. C. MILLAR, Secretary.

CLEAN SOUND

Kennedy's specialise in castings supplied in all shapes, sizes and quantities. Made to your own patterns. Prompt delivery. Fair prices.

Kennedy Castings

The Wm. KENNEDY & Sons Limited
OWEN SOUND, ONTARIO.

Canadian Industrial Alcohol Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of thirty-two cents (32c.) per share has been declared on the Capital Stock of this Company for the quarter ending 30th September, 1927, payable 15th October, 1927, to shareholders of record at the close of business on 30th September, 1927.

By Order of the Board.

J. GIBSON LAWRENCE,
Secretary.

Ottawa - Montreal Power Company, Limited

Preferred Dividend No. 11

NOTICE is hereby given that a dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of OTTAWA MONTREAL POWER COMPANY, LIMITED, for the quarter ending September 30th, 1927, payable October 15th, 1927, to shareholders of record September 30th, 1927

By Order of the Board.

F. G. SIMONS,
Secretary.

Montreal, September 23rd, 1927.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the 1st day of October, 1927, to shareholders of record at the close of business the 20th day of September, 1927.

By order of the Board.

W. H. SMITH,
Secretary-Treasurer.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1927, to Shareholders of record as at close of business September 15th, 1927.

(Signed) W. S. BARBER,
Secretary.

THE TRINIDAD ELECTRIC COMPANY, LTD.

Notice is hereby given that a dividend of 1¼% for the quarter ending Sept. 30th, 1927, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each Shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of October, 1927.

The transfer books of the Company will be closed from the 1st to the 10th of October, 1927, both days inclusive.

By order of the Board,

F. B. OXLEY,
Secretary.

TENDERS For Debentures

Sealed tenders addressed to the undersigned and marked "tenders for debentures" will be received until 12 o'clock noon, Tuesday, Oct. 11, 1927, for the purchase of $30,000.00 County of Peel debentures, being 5% interest payable in ten equal annual instalments as to principal and interest issued under the authority of by-law No. 682 to meet the estimated expenditure for the construction and maintenance of highways under the Highways Improvement Act.

W. M. WILLIS,
County Clerk,
Brampton, Ont.

THE MOUNT ROYAL HOTEL COMPANY LIMITED

Notice is hereby given that a dividend of one and one-half per cent. (1½%) for the three months ending September 30th, 1927, being at the rate of 6% per annum on the preference stock of the Company, has been declared payable October 1st, 1927, to shareholders of record at the close of business on the 24th day of September, 1927.

By Order of the Board,

D. H. McDOUGALL,
Secretary,

Montreal, Sept. 20th, 1927.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Monday, 24th October, 1927, for the right to cut the Red and White Pine, Jackpine and such Spruce timber as is suitable only for saw log purposes, on territory lying within the Temagami Forest Reserve, being composed of parts of Townships of Cassels and Riddell and area in unsurveyed portion of Temagami Forest Reserve, practically all in the District of Nipissing, the balance in the District of Timiskaming, the total area being 115 square miles, more or less.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. S. C. MacDonald, Crown Timber Agent, New Liskeard.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

TORONTO—September 12th, 1927.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th September, 1927, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of October, 1927, to shareholders of record of the 20th September, 1927.

By order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 25th August, 1927.

Laurentide Company Limited

DIVIDEND NOTICE

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending September 30th, 1927, payable Monday, October 3rd, 1927, to Shareholders of record at the close of business September 17th, 1927.

By Order of the Board of Directors,

W. F. ROBINSON,
Secretary.

Montreal, Que., September 9th, 1927.

Imperial Bank Of Canada

DIVIDEND NO. 149.

Notice is hereby given that a dividend of three (3) per cent., at the rate of twelve (12) per cent. per annum, upon the paid-up Capital Stock of the Bank has been declared for the three months ending October 31st, 1927, together with a bonus for the year of 1 per cent., and that the same will be payable at the Head Office and Branches on and after Tuesday, November 1st next.

The Transfer Books will be closed, from the 17th to the 31st October, 1927, both days inclusive.

The Annual Meeting of the Shareholders will be held at the Head Office of the Bank on Wednesday, November 23rd, 1927, the chair to be taken at noon.

By order of the Board,

A. E. PHIPPS,
General Manager.

Toronto, Sept. 15th, 1927.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

WANTED—ACCOUNTANT AND OFFICE Executive for Manufacturing Concern. Must be experienced, reliable and of good character. Do not apply if not qualified. Box 119, The Financial Post, Toronto, Ont.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919 and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of the Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

DEBENTURES FOR SALE

Tenders for Debentures of the Regina Public School District No. 4 to the amount of $200,000.00 will be received by the undersigned up to noon, October 15th, 1927. For particulars apply at office.

J. H. CUNNINGHAM,
Secretary-Treasurer.
1920 Smith St.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

(Sgd.) JAMES WILSON,
Secretary.

THE SHAWINIGAN WATER & POWER COMPANY.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

Notice is hereby given that all of the outstanding Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on January 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Trust Deed, on the First day of December, 1927, at par with a premium of ten per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on December 1st, 1927, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on December 1st, 1927, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

BOARD ROOM TABLE for sale, mahogany, 4′ x 10′ 8″, made to order. Originally cost $450.00. Will sell half price. Too large for present purpose. Box 114, The Financial Post, Toronto.

Executive Accountant and Auditor

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A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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TORONTO, SEPTEMBER 30, 1927

A GOOD SKIPPER

SHORTLY Frank P. Jones's long trick at the helm of the Canada Cement Co. will be over and one of the best servants whom investors have ever had will take a well earned rest—at least for a time. It cannot be doubted but that one of his energy will soon turn his hand to new fields which he will cultivate successfully for himself and for investors who are wise enough to follow in his train.

Mr. Jones's retirement is a forceful reminder that the prime requisite in sound investment is the character of those behind any undertaking. Character is the most desirable and essential quality for which the investor must look in considering the management of any company.

Mr. Jones's energies were centred only on building a company which would ultimately bring satisfactory rewards to the shareholders who placed their trust in him. No stock market ups and downs disturbed him in his work which was all to one end, namely, the strengthening of the position of the company and not the position of the stock. In fulfilling the one, he achieved the other.

In addition to his other qualities, which enabled investors to know that whatever the results might be his undertakings would be conducted along decent and honorable lines, Frank P. Jones has one outstanding characteristic. He is willing to state his views publicly, and if any one is hurt—so much the worse for them.

To-day business leaders too frequently say privately what should be said publicly. The general welfare of the nation perhaps to their minds ranks second to the good of the individual or the interests involved. Not so with Frank P. Jones who in the past has shown his willingness to present publicly his views on national problems, although they have not always coincided with what might be termed the conventional business view.

It is therefore to be hoped that Mr. Jones will not take too long a holiday when he concludes his work as the chief executive of the cement company. Otherwise there will be one less business leader in the Dominion in whom the investor can place his complete confidence with the absolute knowledge that his funds will be safeguarded and augmented as far as is humanly possible. And it is men such as these that the Dominion needs above all others to give a real business leadership to the country.

Neither wealth nor fame nor past success can adequately replace those qualities which have made Mr. Jones a leader and which have gained for him the respect of investors.

THIS MACHINE AGE

WE ARE living in a machine age. Our mechanical civilization has developed quickly and with every encouragement from business. Inquiry as to what it will eventually do to us has in the past been chiefly confined to a few reactionaries posing as radicals. The amazing growth in individual wealth that has followed the wider use of machinery has seemed, to most people, to be sufficient answer to any doubts as to the ultimate perfection of a civilization in which machinery has become pre-eminent.

Now, however, sound minds are asking where the machine age is taking us? Glenn Frank in the Magazine of Business is discussing the question. He has not finished his series of articles and so we can not say what his final answer to the question will be. But it will be an interesting answer, for Glenn Frank understands business, literature and culture. We are certain that he will not agree with those who feel that machinery has destroyed personal initiative; has warped our ideas of beauty; has given the craftsman a fatal blow; has created a Frankenstein monster that will ultimately consume all our ideals if not ourselves; has created a world surplus of unemployed workers, who must starve because they can not find jobs.

Some of these terrible results have been pictured in one quarter and another, where degrees of responsibility vary. There is now showing in various Canadian cities a remarkable German motion picture, "Metropolis." Artistically, imaginatively, fictionally, it is one of the finest things that have been screened. From the standpoint of plot it is a childish effort. The interesting thing about "Metropolis" from the standpoint of our present discussion is that it pictures machinery becoming an instrument that a few wealthy men of power will use in time to enslave the worker, crushing him beneath the burden of his labor, and denying him any of the finer things of life.

Anything more false could hardly be imagined. We have no reason to believe that a few more generations will see machinery making the lot of the worker any worse than it is now. And modern machinery has freed the worker; has given him longer hours for play and relaxation; has given him greater wealth to increase his standards of living; has enlarged his horizon in culture, happiness, luxuries, everything that makes life more interesting.

"Metropolis" pictures machinery enslaving man, the worker. Hon. James J. Davis, secretary of labor in the Coolidge cabinet, pictures machines as robbing the worker of his job. This, of course, has the familiar Ludlow ring, but Davis presents the argument seriously. He puts it up to the employer to find jobs for the workmen replaced by machinery. But he is as wrong in his premise as was the producer of Metropolis. Machinery has not replaced workers. There have been temporary readjustments when individual machines have made individual workers seek other jobs. But looking at the picture as a whole, we see that machinery has reduced costs, increased and broadened the distribution of wealth, and has created a demand for many articles, luxuries, if you will, that were not formerly generally required. The production of these has absorbed new workers. Greater production has brought greater consumption. It may be that the end to such a chain of progression will come; that an economic and social climax will be reached that will bring violent upheaval in its wake. But economists and sociologists do not agree. They are all guessing, though each one knows he is right.

Let us not decry this new development in our pursuit of knowledge; this inquiry as to the ultimate fate of a machine world. Rather let us be on guard lest propagandists and special pleaders forecast the future chiefly to serve some unpleasant aim in the present. For such are the ways of the anarchist on the one hand and the ultra-reactionary on the other.

LASH IS EFFECTIVE

CANADIAN judges are showing less of a disposition to avoid the lash in meting out sentences for banditry and other serious crimes. Nothing will serve so well to hold crime in check as a continuance of this policy of punishing with the utmost severity those whose crimes involve risk to the persons of their victims. The armed hold-up man, burglar or pay-roll robber is a potential murderer and if he completes a job without a murder it is more because of the good luck of those he robs than because of good management on his part.

Long prison terms are a deterrent to crime; but long prison terms rank second to the lash in making crooks think twice.

AIR CONSCIOUSNESS

AVIATION is proving the biggest human interest story of 1927.

In spite of this public interest and enthusiasm, the cause of aviation is not being espoused in Canada the way it should. Canada is years behind other nations, in matters aerial.

Take, for instance, the Canadian National Exhibition. Although visited by almost 2,000,000 of people, not one foot of floor space is devoted to aviation. And this, in spite of a definite government policy to develop civil aviation in Canada in 1927.

Why should the C.N.E., and for that matter all the other Canadian fairs have been used this year to create an "air consciousness" among Canadian citizens? Simply because municipal co-operation, which is essential to aerial development, cannot be achieved without an air-conscious citizenry. Expense prohibits the Dominion government from providing flying fields and equipment in all parts of the country, but if each municipality would do its part, civil aviation in Canada would be able to develop. This has been definitely proven by European and American experience.

In Canada only six municipalities are licensed air harbours; aviation, except in remote parts and for forestry and survey work, is at a standstill. Early development has been along sound and needful lines, but the time for such experimental work has passed.

Ottawa has indeed a responsibility to educate citizens and municipalities along these lines.

MORE THAN YIELD

A HIGH yield does not necessarily indicate that a security is on the bargain counter. A high yield usually indicates that the dividend or interest is in danger. Sometimes it may indicate another thing; such as that the security is little known, that its merit is unrecognized or that it is comparatively new, but in most cases insecurity of dividend return is the reason why a security sells at a price that makes the yield very high.

During the past two years, the big profits in securities have been made in those securities that have steadily sold above their current dividend return or interest return seemed to warrant. This will not always be so as a general situation and there have, of course, been notable exceptions in the past two years.

The market advances of Imperial Oil, International Nickel, Montreal Power, Shawinigan Power, Steel of Canada, Canada Cement and Dominion Textile are all strong evidence of the fact that strength in assets and earning power and a record of ploughing in of profits are factors more to be desired in investments than a high yield that is not accompanied by assurance of stability.

SMALL TOWN ROADS

IN THE good old days of the horse and buggy, a culvert in the distance was a warning to prepare for a bump. Nowadays the warning signal to the driver of a car is often the sign "town limits." Provincial highway systems are ribbons of concrete or well scraped gravel roads between town and town. But the connecting links, the streets running through the towns en route, are too often rugged cow-paths that leave jagged scars in tires and aching muscles in passengers.

Some time ago we had something to say on this subject. The Orillia paper took exception and claimed good streets for that town. Some other towns cried "Me, too." But these were exceptions. The average small town in Ontario, and probably in other provinces, has wretched streets, and they are particularly bad in the main arteries of the community.

There are many examples, but at the risk of offending the good people of Richmond Hill and Bracebridge we might indicate the roads around those communities as horrible examples of what we mean. We do not know who is charged with looking after the roadways in Richmond Hill or Bracebridge, but we do know that the motorist who drives along the highways northward from Toronto will get a rude shock when he strikes either town, even at ten miles an hour. If he does not break a few springs he will most assuredly break the third commandment. On the same highway, the roadways in Barrie and Orillia are most distinct and pleasant surprises.

One of the ways in which community pride may well express itself is in the determination that every person who passes through one's home town shall leave with a pleasant impression. Unfortunately painting a "Goodbye; come again" on the back of a "Your are now entering" board is not enough. A motorist who is being rudely jolted into a lingering sense of discomfort is too busy to read idle words.

STERLING AT PAR

TWO men put sterling at par. One was the governor of the Bank of England and the other was the governor of the Federal Reserve Bank of New York. They were able to bring about co-operation between British, American and European bankers in regard to money rates and this has held the flow of gold partially in check. British trade conditions have not been such as to warrant the steady improvement in sterling. Sterling has been put up by purely financial measures. British industry has felt that it has borne the brunt of the burden of a high bank rate and restrictions on foreign loans that have been part of the machinery.

In any event, sterling at parity is no final indication that British industry and British trade are on a basis of pre-war normalcy.

MOSCOW UNPOPULAR

WHEN the British trade unions decided recently to sever all relations with the Moscow Soviet it took a long step in the direction of industrial stability in Britain. It also took the necessary first step in the rehabilitation of British trades unionism crumbling from the blow of the fatal general strike.

Soviet Russia has been refused recognition by United States, Japan, Holland, Belgium, Spain, Portugal, Hungary, Rumania, Bulgaria and Jugoslavia. Britain, which recognized the Soviet for a while, has broken off relations. Some of the leading countries of Europe that have recognized Russia are expected to follow Britain's example and break off relations.

When British trades unionism hitched its wagon to the red flag it doomed itself to the sorriest failure in its history. The real leaders of British workmen made no mistake when they decided to follow the example of their government.

EDITORIAL NOTES

GOOD NEWS for holders of store stocks: almost seventy-five shopping days before Christmas.

* * *

A BRITISH scientist claims the sponge is the ancestor of man. We believe it of some men we know.

* * *

RUSSIAN Nihilists are said to have originated bobbed hair. But it remained for the Soviets to cut off the whole head.

* * *

A COAL DEALER in Montreal begins an advertisement with the statement: "Sam McGee died to get warm." This shows a careless reading of the Service neo-Classic.

POST-Scripts

A PROMINENT Canadian lawyer, who probably would not match coins with his best friend for a $500 principal, gambled more than that the other day and won. It was at the time when the cotton market was boiling up and over.

He decided to buy his wife a fur coat to celebrate an anniversary. He fixed a limit of $600 as what he was willing to pay for the coat. But when he got in to a furrier's shop, a smooth salesman had sold him a $1,275 coat before he knew what was happening to him. Out on the street he realized that he had over-spent his mark of $675. He walked on to his broker's to look over the market quotations and, while talking to one of the partners, he said, half joshingly. "Bill, I spent $675 this morning that I did not intend to spend. How can I get it back"

The broker took up the challenge. "In five minutes the cotton market closes," he said. "It will be closed for a few minutes while the government report is read. And when it opens again, cotton will either be fifty points up or fifty points down. Take your choice."

The lawyer bought four lots. Twenty minutes later cotton opened 200 points up. He put in a selling order, caught about three-quarters of the advance by the time his sale went through and walked out of the brokerage office $2,000 ahead.

But it was not a shrewd market transaction. It was a straight gamble that came through.

MUCH thought, time and labor have been expended by the distillers and brewers in getting around the "Strong Man's" oft-repeated and enforced regulation—No Advertising.

One does not have to be told of the difficulties encountered by a newly organized company in obtaining distribution of its products under this ridiculous ruling. Many schemes have been tried. The latest is worth repeating.

A brewery decided to let the good people of Toronto know of the quality of its products. No advertising was permissible, however, but a letter was addressed to all Bell Telephone subscribers, each one starting "Dear Shareholder . . . .," and following with a glowing description of the company's beer.

A follow-up letter was not sent out. Mr. Hanna decided that the "shareholders" were not interested in this phase of the brewer's business.

ON ONE occasion Sir Joseph Flavelle used the phrase "the Magic of Multiplication" to describe the prevalent habit of lifting one's self by the boot straps of statistics. Nowhere is the habit more ingrained than among followers of the stock markets. People who have doubled their money in two months—on paper—or have a long book profit are very pleased with themselves—if the market does not slump and write the paper profit down to little or nothing. But patting one's back for one's paper profits is a privilege of stock market trading not to be denied the amateur speculator.

In a little group that are buying and selling some Canadian stocks, good profits have been made. One of the statistical hounds of the group figured that the profits were rolling up at a rate that represented doubling the original investment every year. He had put $100 in the pool. A little calculation showed him that if the money continued to grow as rapidly for a short space of ten years as it has for a few months that at the end of that time his original $100 would be worth $100,000.

He was under the spell of the magic of multiplication. But when the stock market takes a tumble the spell will be broken.

FOLKS and Finance

DWIGHT W. MORROW, member of the firm of J. P. Morgan & Co., is one of the conspicuous figures in United States finance, and his retirement to become American ambassador to Mexico, giving up a position reputed to be worth $1,000,000 a year for a nominal salary.

In the event of his resignation, Mr. Morrow would be the first member to retire from the firm of his own accord within the last generation, if not in history. Leaves of absence have been arranged at times of great moment, particularly during the war, when several of the partners accepted commissions from the government. Among these were George Whitney and the late Willard Straight, who resumed their activities in the banking house on relinquishing their governmental duties.

THE completion of 25 years of service as president of the Laurentide Company, by George Chahoon, Jr., was celebrated by the veteran employees of the company.

During the course of the entertainment Mr. Chahoon was presented with a piece of silver and a parchment containing the names of the old employees. Mr. Chahoon joined the Laurentide Company 25 years ago, as manager, and on the death of Sir William Van Horne, became president. Since assuming his office the company's production has increased from 150 tons to 400 tons a day, and has become one of the best known companies in the newsprint field.

Comments

Remarkable Remarks by Interesting People

DR. IRA A. MACKAY, Dean of the Faculty of Arts, McGill University: "Perhaps the best evidence of prosperity in the West is the great improvement in the appearance of the farm homes throughout the country. Beautiful cottages, and commodious barns may be seen everywhere, where a few years ago there were only shacks and mud huts. And the people everywhere, I am persuaded, are more happy and hopeful than at any other time in the history of the country."

* * *

A. K. TRETHOWAN, Australia business man: "The financial position of Australia is acute, owing chiefly, to the extravagance of governments and individuals. Imports exceed exports by a large amount, and too much money is being sent overseas to pay for articles such as motor cars and gramaphones. Money market is stringent because banks have to send out of the country large sums to restore adverse trade balance and if, on top of the present difficulties, a really bad drought were to occur, a financial crisis would probably result."

* * *

GENERAL John J. Pershing, U.S.A., to Georges Clemenceau, "Tiger of France," "Let's do the Charleston."

* * *

GLENN FRANK, president of Wisconsin University: "The business man is at one and the same time profit-maker and civilization maker."

* * *

ARTHUR W. KIDDY, Financial Editor, The Economist, London: "It is early days to talk of what may be the chosen plank in the various political parties at the next general election, but I have no hesitation in asserting that economy in the national expenditure, the encouragement of efficiency, industry and capital, and the discouragement of anything opposed to those attributes would be the programme must calculated to appeal to all that is best in the country, and the only one which can ensure prosperity and happiness to the community."

* * *

HON. FRANK CARREL, Quebec newspaper proprietor: "I believe that Canada should be a bilingual country where all the children should be efficient in both languages; this should help further to establish Canada as a nation of culture as well as of commercial wealth."

* * *

HON. CHAS. A. DUNNING, minister of railways: "I have not found the people of the central provinces very much different from the people among whom I have been living for the past 25 years in western Canada."

Book Reviews

Problems in Banking

Our universities give courses in banking and finance now along with training in Greek letters and bridge building. Through courses arranged by the Canadian Bankers' Association, men on the staff of the different Canadian banks are able to take advanced training by mail. All this has created a demand for text books on banking subjects. "Problems in Banking, Money and Credit" has been prepared primarily for use in these courses. It has over 700 pages of problems, infinite in variety, covering practically the whole field of theoretical and practical banking. Most of them are practical problems that have actually come up in banking. Material for the answer of the problem is given in each case. Such a volume is unique in character and cannot be regarded as a text book on banking. It is supplementary to existing text books and has some value for the bank man who keeps abreast of the best books in his field.

The volume was prepared by John M. Chapman, assistant professor of banking of the School of Business of Columbia University, and Ray B. Westerfield, professor of political economy at Yale. As may be imagined, Canadian banking problems are practically absent in the volume and much of the material is of little value to Canadians.

It is published by Ronald Press Company, New York, at $4.50.

As Others See Us

London As a Financial Centre

London Free Press.—The presence of the Polar Bear Club, of the Northern Life Assurance Company, representing agents of that organization from all parts of Canada, and the coming opening of the magnificent London Life building emphasize the growing importance of London as a financial centre. London's financial concerns are to-day noted from coast to coast and London is recognized throughout the Dominion, greater even than Londoners realize, as a money centre.

The value to London of such progressive concerns as the two great insurance companies which have their headquarters here and of the loan and trust concerns with their head offices in London can hardly be overestimated. Not only do they employ large staffs, but they bring money to London for investment. Much of the splendid progress of London in recent years has been due to the enterprise of our financial concerns.

The Financial Post recently published an issue devoted to London as a financial centre. This issue was a surprise to most Londoners, who did not appreciate the remarkable growth in the past few decades of London's financial concerns, the extent of their assets and the development in their business. London is proud, indeed, of its financial concerns, which have a reputation for soundness and conservatism, combined with enterprise, which are making them household names across the Dominion.

No "Rock-bound Waste"

Vancouver Star—Youthful students of the Commentaries of one Julius Caesar early learn that Gaul was divided into three parts. Persons concerned with transportation and communications know that this is also true of Canada. One wilderness separates the Maritime Provinces from the Central Provinces and another wilderness the Central Provinces from the West. The latter wilderness, however, is turning out to be a treasure-house of riches. Readers of the articles published on this page from the pen of a Morning Star correspondent, R. J. Deachman, will have noted the enormous development that has taken place during recent years in what it was formerly the fashion to speak of as "the rockbound waste" and the "geographical misfortune." The Financial Post, alive to what is going on, thinks it high time that the terms mentioned were dropped in respect to what it says can be more accurately described as the great pre-Cambrian shield of Canada. "All well-informed geologists, mining men and financial men," it continues, "realize that the pre-Cambrian shield is one of the greatest assets that Canada possesses and one of our strongest guarantees of prosperity to come."

Stock Market Transactions

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It was necessary that this should be said to counteract a description ten years behind the times that ought to pass into oblivion along with 'the great lone land," as applied to the prairies, and the "sea of mountains," the latter still occasionally met with as what purports to be an exhaustive description of British Columbia.

An "Irresistible" Lure

Edmonton Bulletin: The Financial Post has helped to "tell 'em" about Alberta. A section of its last issue is devoted to this province and a great deal of valuable material regarding our development and prospects is furnished. A panoramic view of Edmonton is presented to illustrate how early crudeness has given way to metropolitan aspects here. Alberta's lure is described as irresistible. It has everything, a front page article states, that one can desire. Richness of soil, climate, scenery and congenial neighbors are among its attractions. Its expansion since it obtained its autonomy is recounted, but it is only at the beginning of its growth.

With such an area and with such resources it is in the happy position, the editor declares, of being able to absorb tremendous increases in population and capital, and these he sees in store for it in the early future. The articles were prepared before the outcome of this season's agricultural operations were at all certain. But the outlook appeared so bright that The Post's readers were told not to be surprised if the yield per acre exceeded the world's record established in 1915.

Now we know that, if it is not exceeded, it will be closely approached, while the acreage under cultivation has gone up to such an extent in the last twelve years that the total production will be very much heavier. That of wheat will be approximately three times the 1915 figure and the return per bushel to the farmer on the basis of present prices be fifty per cent. higher.

"Stop Me If You've Heard This One"

Florian—Chief, ah needs protection! Ah done got a unanimous letter this mornin' which says, "Nigger, let mah chickens alone."

Chief of Police—Why protection? Just leave the chickens alone.

Florian—Dat's all right, boss, but how does I know whose chickens I's to leave alone?

Investment Consultation

IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

By so doing you incur no expense whatever, and place yourself under no obligation to us.

Correspondence Invited.

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GRESHAM HOUSE OLD BROAD ST.
LONDON, E.C.2, ENG.

INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Winnipeg Electric

What is your opinion of Winnipeg Electric Railway common?

A Western utility which should continue to grow, especially as the prairie provinces appear to be on the verge of even more rapid growth than formerly, is Winnipeg Electric Railway Company. The common stock of this company has been rising slowly but steadily and we think that over a term of months or years the investors' experience with this stock would be satisfactory.

P. T. Legare

Kindly give me your opinion in regard to the safety of the P. T. Legare bonds.

The first mortgage bonds of the P. T. Legare are considered a good investment. This company has been established for a great many years, distributing through some 52 stores and 1000 local agencies in the Province of Quebec, New Brunswick and Eastern Ontario, home furnishings and merchandise. The management is sound and the company has made steady progress. The bonds are amply secured.

Mortgage Discount, Ltd.

Please tell me about the preferred and common stock of Mortgage Discount, Ltd.

Second mortgage companies operating in Toronto have not had a very happy time in the last two or three years, owing to the slump in the real estate market. But the city is again more prosperous and it is fair to assume that the well-managed companies will be able to show a profit for 1927.

Mortgage Discount, Ltd., in our opinion, is one of the more successful and better managed mortgage companies The company should be able to maintain its preferred dividend. The common is not interesting.

F. N. Burt Common

Kindly give me your opinion on F. N. Burt common stock? Would you advise selling at present prices? I hold 24 shares and would be pleased to sell when you consider it at its highest.

Kindly advise on mining stock that you would recommend buying. I haven't much money to invest, say $200. Would like to buy in some of the low stock with a chance of increase.

From information we have received, we would say that the outlook for the company is just as good as it ever has been and that if you are holding the stock as an investment, you would be well advised to continue to hold it. On the other hand, if you purchased it with a view to selling when the market price was higher, you might be well advised to take your profit, as no one is in a position to say what will be the high price.

There are a number of interesting speculations in the Canadian mining market, but the majority of the so-called penny stocks are so erratic in their action that the conservatively minded would be disinclined to make recommendations.

The Canadian dividend paying mines should be satisfactory purchases and you might reasonably do as well with any or all of these as in the penny stocks. Noranda and Central Manitoba Mines soon will be on a producing basis, which should bring early dividends.

Canadian Bronze

What do you think of Canadian Bronze preferred?

The control of the Canadian Bronze Company has recently been purchased from U. S. interests by Canadian interests. Over a period of ten years the earnings have been equal to over thrice the dividend requirements on the preferred stock of the new company.

The company operates under an exceedingly strong board of directors. In view of its earnings record and its able management, we consider the preferred shares to be a very satisfactory investment in their class.

National Debenture

We would like your opinion on investing in The National Debenture Corp., Ltd., fully registered 6 per cent. twenty-year floating charge debentures. Do you consider this a safe investment and do you know whether it is a legal security for trust funds Also whether you consider they rank equal with The National Debenture Corp., Ltd., 5½ per cent. sinking fund collateral trust gold bonds.

We do not care to recommend the 6 per cent. twenty year floating charge debentures of the National Debenture Corporation Ltd. This is not a legal security for trust funds.

These debentures do not rank equal with the 5½ per cent. collateral trust bonds as the latter are protected by securities, to the extent of 105 per cent. of the outstanding trust bonds, held by the trustee.

Canadian Car

Do you consider the preferred shares of the Canadian Car and Foundry Company to be a good investment?

The preferred shares of the Canadian Car and Foundry are not a gilt-edged investment. We regard them as a purchase only for a business man In 1926, 1925, 1922 and in 1921 the company did not earn, after depreciation, its preferred dividend requirements. But in 1923 and in 1924 earnings were very large and in the other years the dividend was paid out of surplus account.

The company depends for its profits almost entirely on the orders which it receives from the railroads for equipment. When the railways place equipment orders they usually place large ones. Hence, the Canadian Car and Foundry's business is a feast or famine affair. The outlook for the future of the company, though, seems to have improved and we look for substantially higher earnings for the current fiscal year which ends September 30. The stock gives you a very nice yield and in our opinion will probably sell a little higher. The company is bettering its position, but it has always maintained itself in a strong financial position.

National Realty

Will you let me know your opinion on the merit of the following for an investment and safety: (1) National Realty Corporation and (2) Richmond Building.

National Realty Corporation, owner and operator of the St. James Parking Garage, Toronto, is in a sound position and its bonds are a good investment. We understand it has been successful in obtaining rentals at a very high percentage and that revenue has been up to expectations.

Richmond Building is a new proposition and its earning power unproven. The company has selected a very valuable piece of land in the downtown district of Toronto, leased from the City of Toronto on a 21 year lease, at a rental of $4,725 with an option to purchase at the end of one, two or three years.

Exchange Bond Offer

Have been advised by a broker to switch $1,000, Ontario Building, 6½ per cent. 1939 at $101, and $1,000, Bolivia Power 8 per cent. 1945 at $103, for Canadian Vickers 6 per cent. 1947 at $98.50. Do you recommend this or otherwise?

We do not think that you would gain much to switch your Northern Ontario Building 6½ per cent. and Bolivia power 8 per cent. to Canadian Vickers bonds. Both the Northern Ontario and Bolivia Power bonds are selling at a premium. They are well secured and you are receiving an excellent yield.

Canadian Vickers is, of course, a good bond. The Federal Government's subsidy to this company is nearly sufficient to take care of the interest requirements on the first mortgage bond. While business has not been very good with them during the past two or three years, the company is in a sound position and their bonds are well secured.

Cape Breton Electric

What do you think regarding the present low price of the Cape Breton Electric bonds? Will the issue be met at maturity?

Earnings of the Cape Breton Electric Company reflect the volume of business activity which prevails at the plant and mines of the British Empire Steel Corporation in and around Sydney, Cape Breton.

Even in the disastrous 1925 strike year the company earned its interest charges by a substantial margin. Earnings since then have increased.

The trust deed covering the 5 per cent. first mortgage bond issue contains a clause which says that 1 per cent. per annum of the total bonds outstanding is to be used in making additions and improvements to the property, thus adding strength to the security behind the bonds. It is our opinion that the bonds will be met at maturity. You must remember though that the condition of the company five years hence depends entirely upon the conditions prevailing in the Nova Scotia steel and coal industry. Over the past seven years the company has earned on an average about 1.4 times the bond interest requirements. This is not a particularly wide margin and hence the low price for the bonds.

Canada Steamships

What is the matter with the common shares of the Canada Steamship Lines? Its shares do not appreciate in the general market buoyancy.

There is nothing the matter with the shares of the Canada Steamship Lines. The company was never in a better position than it is to-day and earnings, we understand, are increasing.

Moreover, there has been some price appreciation in the stock. But you must not forget that when W. H. Coverdale, the president, took over the active management of the line some years ago, the company was in exceedingly bad shape in every way. He has succeeded in building the company up and some time ago liquidated the arrears of preferred dividends. At the time this was accomplished. Mr. Coverdale pointed out that dividends on the common shares were still a long way in the future.

The preferred shares participate with the common after 3 per cent. has been paid on the junior securities.

Ultimately, we believe that the common shares of the company will be of much more value than they are to-day. Ever since the results of bad management made themselves felt some years back, the common shares of the Canada Steamship Lines have been nothing but a long hold proposition. They are still a long hold proposition, only the company is now operated under able management.

French Line

Will you kindly give me your opinion as to the following securities from an investment standpoint.

French Line 6½ per cent. bonds due 1951. Gtd. by French Govt.

Bishop Realty Co. 7 per cent. bonds due 1947.

Might I add that the information contained in your paper regarding investments has been of great value to me.

French Line 6½ per cent. bonds due in 1951 are a good investment. These bonds are a direct obligation of the French Line, ranking equal to or with all the outstanding bonds of the company and are guaranteed both as to interest and sinking fund by the French Government. Moreover, the French state guarantees payment of interest and amortization of the bonds and also upon completion of the vessels to be constructed with the proceeds of this loan, the company agrees to place a first mortgage upon them in favor of the French state to secure repayment to it of any amount which the state may have paid or may thereafter pay under its above guarantee.

The property owned by Bishop Realty Company is located in a valuable business section in the upper town of Montreal. It has not been in operation sufficiently long to enable us to form an opinion on its earning power. According to a prospectus, the property and building has an appraised value of $720,239. Net earnings are placed at $55,000 per annum, against which interest requirements and funded debt amount to $21,000. This issue is well regarded.

Border City Co.

Please say if you consider Border City Mortgage 7 per cent. bonds a safe investment?

Border City Co. 7% first mortgage bonds are well regarded. Holdings of the company are located around the Border Cities and in recent years property has advanced in value and the equity behind these securities is considerably greater than when they were first issued. In view of the proposed construction of a bridge between Windsor and Detroit, the tourist and commercial traffic between the United States and Canada at that point should be greatly augmented. This, in turn, will undoubtedly have a beneficial effect upon real estate on the Canadian side, which, in turn, will benefit the Border City Co.

Bank of Montreal

What is the cause of the marked rise in the shares of Bank of Montreal, Royal Bank, Canadian Bank of Commerce?

The explanation in the Barbadoes is that surplus funds are going into bank shares for safety. I cannot accept this explanation in view of the many opportunities for safe investment in Canada at 5 per cent. or over without incurring undue risk.

There has not been any very definite or conclusive explanation of the rise in Canadian bank stocks in the last few weeks.

Undoubtedly there is a great deal of buying emanating from the United States. Bank stocks in the United States have been selling at very high prices and some of the purchasers of these stocks apparently have discovered that the Canadian banks, just as strong and just as well managed, are more attractive from the investment viewpoint because shares were selling at a price to give a higher yield.

Many holders of Canadian bank stocks in Canada have let their holdings go and netted a nice profit. Taking the long view, and because Canada is prosperous and the future bright, investment in bank stocks should be satisfactory. But so far as can be determined, nothing definite has been planned by the directors with regard to increases in capital or increases in dividends.

One explanation of the great American interest in bank stocks at the present time is that there are fashions in investments, as in everything else, and that for the moment bank stocks are the fashion. This explanation may be as good as any.

Nickel and Shawinigan

I have a holding of 125 shares of Shawinigan Power. Would you advise me to dispose of them to purchase International Nickel?

Of course you would obtain an increased return by selling your Shawinigan and purchasing International Nickel, but the securities are not in the same class. Shawinigan is an excellent investment stock which, over a term of years, we believe is practically certain to appreciate substantially and return you a handsome reward.

International Nickel also may appreciate materially over the next few years. But, on the other hand, you must remember that it is a mining stock and mining stocks are always speculative to some degree.

We class the shares of the International Nickel Company as an exceedingly attractive purchase indeed for a business man for a long hold. If you can afford to purchase a high grade mining stock, we think that you would be well advised to buy some International Nickel.

We cannot advise you whether or not you should switch your Shawinigan to International Nickel. We believe that both stocks will sell materially higher in the ultimate future. International Nickel being more speculative, would perhaps bring quicker and larger returns. However, you must make your own decision regarding whether or not you can afford to take your funds from Shawinigan, one of the soundest investment stocks on this continent, and place it in shares of a lower, though not any less attractive grade. It depends entirely on your investment program.

When Women Invest

One Who Has Gained $12,000 by Speculation Asks Suggestions for Guarding Against Possible Adverse Market

A Weekly Feature.

During the past three years, I have, through speculation, made a profit of about $12,000. I am continually being told that the market is in a dangerous position and wish to invest in good sound stocks with the idea of holding for some time.

At present, I hold, with an average margin of 30 points per share:

100 shares, Montreal L., H. & P. at $81.
100 shares, Steel of Canada at $195.
50 shares, Imperial Oil at $60.
50 shares, Dominion Textile at $132.

I had thought of putting my margin into:

200 Montreal L., H. & P.
200 Shawinigan.
200 Imperial Oil.

Would Carry Them at Bank

I would put these shares in the bank, or, rather, pay the bank to carry them for me, instead of the broker. I believe they would be safer.

Of course, it would cost me over $1,000 a year to carry these at the present rates of dividend. I would put up 30 points on Shawinigan, 30 Montreal Light and twenty on Imperial Oil.

What is your opinion of this venture? Would you consider other stocks a better speculation (including safety) over a period of five years?

What is your opinion of oil stocks—say B. A. oil and McColl?

I also bought last week 300 shares of Amulet (paid up) at $6.95. Do you consider this a good speculation or could I invest the money to better advantage?

You are wise to pause to review your situation. You have been unusually fortunate in your speculations and you will be displaying unwonted wisdom if you take steps to consolidate your position in such a way that an adverse market will not quickly wipe out your gains, or at least render it difficult for you to carry your stocks.

This Not Orthodox

There would be many who would implore you, a woman, to take your gains out of the speculative markets and place the capital in bonds. This is the orthodox advice and it is good advice for most women. But in your case we are assuming, first, that you are endowed with good judgment, second, (although you do not say so) you are not dependent on income from investments such as these for your bread and butter, and, third, that you are not likely to take such advice for reasons which appear sufficient to you.

Hence, our comments are based on the belief that you can afford to speculate, or that you will anyway.

As we see it, two criticisms fairly may be leveled at your commitments; two conditions should be corrected in order that you may be in better position to withstand a general fall in the stock market which carries down your stocks.

The first criticism concerns your margin. You would be far safer to carry a little less stock and, hence, have a little more margin, or leeway, should the market decline temporarily.

The second criticism is related to the first. The dividends from the whole of your commitments should be sufficient to pay interest charges either at your bank or your broker's. Unless you reduce your commitments drastically, or invest your bonds, you will be out of pocket the interest on your own money you put up by way of margin.

What is Suggested

This is what we suggest,—and it is not very drastic:

Better hold five good stocks than four.

Sell 50 Montreal Power at the market (about 92). This will give you a profit.

Sell 50 Steel of Canada on any market bulge which enables you to sell without loss.

Buy 50 Shawinigan at the market.

You would get approximately $14,350 for your Montreal Power and Steel of Canada and the 50 Shawinigan would cost you about $4,500. Thus your total commitments would be reduced from about $37,200 to $27,350, of which about $12,500 would be your money and the balance of about $14,850 would be borrowed money.

If you carry your stocks at your broker's you will pay 7 per cent. interest on the unpaid balance, while your bank, or some other bank, will loan you the money on such substantial margin and good stocks at 6 per cent. Thus, by taking up your stock and having it registered in your own name, you will be saving about $150 annually in interest.

The readjustment will bring your loan down to the point where the dividends approximately will pay the interest.

We are not looking for any serious recession in stock market values. But it is as well to be a little cautious and it is good business to make dividends pay interest on borrowed money.

So far as Canada is concerned, there is every reason for optimism, although stock prices are high compared to six months ago or three years ago. But the country is going ahead rapidly and everyone can hope that the development era in which we now live will bring unparalleled prosperity.

But something may come along which may interfere with this development for a longer or shorter time.

That something may be the long-predicted general recession in values on the New York stock exchange, brought about by unfavorable conditions in the United States or otherwise. The Canadian market is not yet independent of the New York market. It may never be. The fact of the actual or smpathetic relationship cannot be overlooked when calculating the prospects for continued good and better times in Canada.

Oil and Mines

As to Amulet, it is a good mining speculation.

The oil stocks are promising on their records and the ultimate future of the oil business is bright.

New International Highway

Opening of a new highway south of Brandon that will cut more than 100 miles from the route to Minneapolis, is promised for next year by the provincial authorities. The route will be via Boissevain, through the municipality of Morton, the Turtle Mountain reserve and thence to Dunbeith, N. D., where connections will be made with one of the main trunk highways of that state.

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Editor's Note.—This journal testifies to the integrity of the above advertiser and to the scientific soundness of his delineations.

The St. Lawrence Waterway Proposals

The United States proposals for the development of the St. Lawrence River Waterway, and what they involve, are outlined in a 16-page booklet which we have published.

All Canadians who take an active interest in the welfare of their country should read this discussion of a question which is of paramount national importance.

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News of Investment Markets

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Goodyear Tire Common Goes On $5 Dividend Basis

The common stock of the Goodyear Tire & Rubber Co. of Canada, Ltd., was placed on a dividend basis this week when the directors authorized payment of $1.25 the share on Oct. 15th, to shareholders of record Sept. 30th.

The stock market had largely discounted this action, which places the stock on a $5 basis.

Hanson's Appoints Manager

MONTREAL.—Announcement is made of the appointment of Stuart B. Heath as manager for Toronto and central Ontario by Hanson Brothers. Mr. Heath has been associated with the firm for the past four years, previously acting under the late T. S. G. Pepler, to whose position he now succeeds. His knowledge of investment security conditions is extensive, having spent the better part of the past fifteen years in this business with the exception of the period of the Great War, during which he served overseas with the C. E. F.

Announcement

We wish to announce that we have retained the services of

DOUGLAS G. H. WRIGHT

the well-known consulting mining engineer and geologist.

The many years of practical experience gained by Mr. Wright through actual contact with the various mining areas of Northern Ontario and Quebec will be of great value to our clients in assisting in intelligent mining investment.

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SHAWINIGAN TO REDEEM ALL ITS ISSUES OF BONDS

New Issue of $35,000,000 — Will Result in Lower Interest Charges

From Our Own Correspondent.

MONTREAL. — The Shawinigan Water and Power Company is calling all its outstanding bonds. The issues will be refunded by issuing bonds of the newly authorized $200,000,000 issue. The last annual balance sheet shows that there were but two bond issues outstanding, the five per cent. consolidated mortgage bonds and the first and refunding mortgage issue.

The five per cent. consolidated issue is outstanding to an amount of some $3.200,000 and there are some $22,800,000 of the first refunding issue outstanding. The last and larger issue of bonds was put out in five different series, two of which bore interest at 6, two at 5½, and one at 5 per cent.

To call its bonds Shawinigan will require $26,000,000 which will be obtained from the sale of a portion of the newly authorized $200,000,000 issue. The new bonds will be offered shortly and it is thought the present issue will amount to about $35,000,000.

Company Steadily Grows

The surplus over and above the refunding requirements will be utilized for the general corporate purposes of the company which, during the past year has expanded in many directions, not the least of which was the erection and completion of the line connecting the city of Quebec with the Duke-Price plant on the Saguenay. Then again, too, Shawinigan required funds to take up its rights to the new stock issue of the Quebec Power Company in which it owns more than 50 per cent. of the stock. Some of Shawinigan's current financial requirements have, of course, been met by its new stock issue which will net the company $5,000,000. But Shawinigan has been spending money on capital account at the rate of between $5,000,000 and $10,000,000 annually. Hence the need for further financing.

The refunding of Shawinigan's bonds will allow the company to obtain its funds at a lower rate of interest in the future. High grade bond interest rates have been declining over the past year. About a year ago, the Montreal Light, Heat and Power Consolidated sold a bond issue to yield 5.03 per cent. Shawinigan's new offering may perhaps be sold on a still lower basis. This will compare favorably with the present first refunding mortgage bonds which bear interest at an average rate of about 5.65 per cent. Furthermore, the annual sinking fund requirements of the company's first refunding mortgage bonds of which there are $22,866,500 outstanding, are very large. Thus, by refinancing, Shawinigan will borrow its money at a lower rate and be able to reduce perhaps the ratio of its annual sinking fund payments to the total amount of bonds outstanding.

The special meeting of the shareholders of the Shawinigan Water and Power Company, held this week, approved the by-law creating the company's first mortgage and collateral trust gold bonds to an amount of $200,000,000.

Julian C. Smith, chairman, in his remarks to the shareholders, stated that this issue was being created for the purpose of redeeming the presently outstanding 5 per cent. consolidated mortgage gold bonds of the company due in 1934, amounting to $3,178,000, and first and refunding mortgage gold bonds of various series amounting to $22.866.500, and notice is being issued that all these are being called for redemption.

An offering of the new bonds in an amount of $35,000.000, for the purpose of meeting the obligations of the company created through the calling of the above mentioned bonds and to provide additional capital moneys will be made shortly. With the sale of these bonds and the sale of 100,000 shares of stock to the shareholders of the company at a price of $50 per share, the Shawinigan Company will have carried out a most successful refunding operation.

New Unit on St. Maurice

In an interview, Mr. Smith stated that in order to provide additional capacity at Shawinigan Falls and to better balance the hydraulic plants on the St. Maurice river, the Shawinigan Company will immediately commence construction of the seventh unit in power house No. 2, this unit to be 45,000 horsepower and to be a duplicate of the last unit installed.

The carbide and chemical companies, which are subsidiaries of the Shawinigan Water and Power Company at Shawinigan Falls, have had a successful year and their capacity has been steadily increased during the past year or two. Very considerable additions are contemplated to these plants. Owing to the development of the artificial silk business throughout the world these plants, producing as they do one of the principal raw materials in the manufacture of this commodity, have had a great development.

Georgetown Coated Paper Mills Sell Mortgage Bonds

An offering of $200,000. 20-year 6½ per cent. first mortgage sinking fund bonds of the Georgetown Coated Paper Mills, Ltd., is being made by R. A. Daly & Co., at a price of 100 and interest.

The business of the Georgetown Coated Paper Mills was started in 1910, the company now owning one of the most modern coated paper plants in Canada, with an average daily output of 20,000 lbs. of finished product.

Net earnings available for bond interest for the past three years have averaged $65,717 per annum, or over 5 times the amount required for a full year's interest on these bonds. The management is in the hands of experienced men, and the company is in a strong financial position.

The present issue of $200,000 is secured by a first mortgage on the total net assets of the company, which, at the present time, are equal to $493,524, or over $2,460 for each $1,000 bond of this issue.

Lamont Says U.S. Does Not Want Bank Control

From Our Own Correspondent

VANCOUVER.—Rumors prevalent in Canada that a powerful group of New York financiers might be trying to buy control in a Canadian bank or banks were dubbed as "absurd" by Thomas W. Lamont, executive genius of the J. P. Morgan organization, when interviewed here by The Financial Post while on his way to Japan.

Canadian banks stock had probably attracted the United States investment market because of their satisfactory dividend records and their good prospects, said Mr. Lamont. In the United States 4 and 4½ per cent. constituted a good return from bank stocks.

MASSEY HARRIS CARRY OUT WIDE FINANCING PLAN

Proceeds of Bond Issue Will Further Strengthen the Liquid Position

One of the most outstanding pieces of industrial financing of recent months took place this week, in the offering of $12,000,000 20-year 5 per cent. sinking fund debenture bonds of the Massey-Harris Co., by a Canadian syndicate headed by Wood, Gundy and Co.

This is the third prominent Canadian company that has recently taken advantage of the present money situation to place itself in a sound liquid position, the St. Maurice and Port Alfred Corporations, having recently followed similar policies in strengthening current positions by means of long-term financing. The management has recognized that it would be advantageous for the company to retire certain securities that carry too high a rate of interest and in this they appear to be following other well-established concerns.

With the passing of control of the Massey-Harris Co., to other interests a few months back, the public became fully informed of the wide-range of activities of this concern, and the importance of its position among the agricultural machinery manufacturers of the world. With plants in Canada, the United States, France, Berlin and agencies in practically every grain producing country, the company has gained a world-wide reputation as a manufacturer of farm implements.

When the Bradshaw-Gundy interests acquired control, it was found that while the company was in an excellent position financially, certain economies could be effected through a rearrangement of the capital structure, as well as the need for providing for funds for extensions and improvements which may become necessary in the very near future.

The directors recently decided to retire an issue of bonds amounting to $1,600,000 incurred in behalf of the company's American subsidiary, the Massey-Harris Harvester Co., Inc., of Batavia, N. Y. These bonds carry interest at the rate of 8 per cent., and in view of existing money conditions could be retired to advantage. They were guaranteed by the parent company. The Batavia concern also has small bank loans, which were also a lien on the Canadian company.

Strengthen Liquid Position

By the issuance of these debentures, the company will be able to clear up the whole situation, provide working capital for its increasing operations and add considerable strength to its liquid position.

Particulars of the issue follow:

$12,000,000 Massey-Harris Co., Ltd. 20-year 5% Sinking Fund Debenture Bonds

Dated October 15, 1927 Due October 15, 1947

Company—Largest manufacturer of farm implements in the British Empire. Has plants in Canada, the United States, France and Germany, and agencies in all the principal countries of the world. Company originated in the Massey Manufacturing Co. and in A. Harris and Son Co. The business of the former was founded in 1847 and the latter in 1846; the two businesses were consolidated in 1891.

Capital—Twenty-year 5% Sinking Fund Gold Debenture Bonds, due 1947—Authorized (closed); outstanding, $12,000,000; 7% Cumulative Preference Shares (par value $100)—Authorized, $12,500,000, Outstanding, $12,089,900. Common shares (no par value)—Authorized, 500,000 shares; Outstanding, 483,596 shares.

Earnings—Average annual net earnings of the company and its subsidiaries for the three years ended Nov. 30, 1926, available for bond interest and depreciation, were $2,446,383—equal to over 4 times annual interest on this bond issue. Earnings for fiscal year 1926 were equal to 5½ times interest requirements on same basis. Record for the past ten years has been favorable.

Assets—Net tangible of company and its subsidiaries, after giving effect to the proceeds of this issue and deducting all current liabilities, as at November 30, 1926, had a depreciated value of $38,974,257—equal to $3,248 for each $1,000 bond. Patents and goodwill are carried at a nominal value.

Working Capital—Net current assets at the end of last fiscal year total $32,959,708. Current assets were over 15 times current liabilities. On completion of present financing company and subsidiaries will have no bank loans.

Markets—Company is firmly established in practically every grain producing country in the world.

Sinking Fund—Semi-annual, commencing April 15, 1928, at the rate of $600,000 per annum, sufficient to retire all of the bonds before maturity.

Other Features—Upon completion of this financing, these bonds will constitute the company's only funded debt.

Offered—By Wood, Gundy & Co., Dominion Securities Corp., A. E. Ames & Co., Royal Bank of Canada, Canadian Bank of Commerce, McDougall & Cowans, Greenshields & Co., and Royal Securities Corp., at 95.75 and interest, yielding about 5.35 per cent.

George E. Harley and Co. Change Name, Extend Scope

W. B. Milner has been admitted to a general partnership in the investment brokerage firm of George E. Harley & Co., members of the Toronto Stock Exchange. The name of the firm has also been changed to Harley, Milner & Co., and larger and more convenient offices have been occupied on the ground floor of 304 Bay Street, Toronto, where board room facilities and direct private wire connections with all principal markets will be maintained.

Associated with the firm will be Mr. J. S. Brown, formerly Toronto secretary of the Royal Securities Corp., Limited, and Mr. Latham Burns, formerly with the firm of R. A. Daly & Co. for over five years. Messrs. Brown and Burns will be actively engaged in the investment securities department of the new firm.

Trail Apartment Bonds Sold By Western Invest. House

Royal Financial Corp., of Vancouver, are offering $40,000 first mortgage sinking fund bonds, bearing 6 per cent. interest, of Trail Apartments, Ltd., at a price of 97.16 and accrued interest to yield 6.25 per cent. These bonds are callable at 103 and interest and mature September 1, 1947.

Trail Apartments, Ltd., was incorporated for the purpose of building in Trail an apartment house at a cost of $75,000. The amount required after deducting proceeds from the sale of bonds has been provided through the sale of common stock of the company and the stock at a par value of $37,000 has already been sold to residents of Trail.

The revenue from the property will, it is believed, be sufficient not only to provide interest and sinking funds on the bonds, but to pay a reasonable dividend on the common stock.

CANADIAN WESTERN LUMBER

The Canadian Western Lumber Company, which includes the Columbia River Lumber Co., reports sales of lumber for the month of July amounting to 16,879,836 ft., realizing $358,883, as compared with 11,885,970 ft, realizing $282,921 for the same month in 1926. The aggregate sales for the seven months ending July 31, at 89,747,496 ft., realized $1,951,863, which compares with 90,946,236 ft., realizing $2,178,630 for the corresponding period last year.

Monarch Knit in Quebec

Monarch Knitting Co., head office Dunnville, Ont., will own all the capital stock of Monarch Knitting Co. of Quebec, Ltd. The Quebec company was recently organized as a sales agency and it is officially announced that no manufacturing will be carried on at the present time. J. A. Burns, general manager of the parent company, is president of the subsidiary; G. R. Blackman is vice-president, and A. P. Proctor is secretary-treasurer and managing director.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bridge 7s '55....	107½	109
Do., 8s '45	107½	...
Buff. Gen. Elec., 1st 5s '39.....	104⅝	...
Bfo N & E Pow 5s '30.........	102	104
Lockport L H & P 5½ '54.....	102½	104

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(4) prompt execution of orders at the best prices obtainable.

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FRASER EXPANDS PLANTS; OFFERS NEW DEBENTURES

Expanding Pulp and Fine Paper Output—Issue Carries Stock Warrants

From Our Own Correspondent

MONTREAL. — The Fraser Companies is apparently to utilize the power which it will obtain from the Saint John River Power Company at Grand Falls, N.B., next year in the expansion of its present sulphite pulp and fine paper mills, rather than by expanding in the newsprint field. The company has just issued $5,000,000, 6½ per cent., 15 year debentures which are being offered to the public, with common stock purchase warrants attached, at 99½ to yield 6.5 per cent. by the Royal Securities Corporation and Wood, Gundy and Company.

At the present time the Fraser Companies pulp and paper capacity which is sold on the market amounts to some 250 tons daily. With the proceeds of the present issue the mill will be expanded so that before November 1, 1928, the company will have a daily capacity of pulp and paper products for sale amounting to 430 tons per day.

The Expansion Program

The Edmundston mill's production will be increased from the present annual capacity of 45,000 tons of bleached sulphite pulp to an annual capacity of 60,000 tons of bleached sulphite, 12,000 tons of unbleached sulphite, 21,000 tons of paperboard and 24,000 tons of groundwood pulp. The Chatham, N.B. mill will not be expanded.

To absorb a part of the increased output of the Edmundston mill, the paper mill at Madawaska, Maine, which now has a capacity of 20,000 tons of fine paper annually, will be increased to 51,000 tons of sulphite paper and 39,000 tons of high grade paperboard.

The particulars of the debenture issue follow:

$5,000,000 Fraser Companies, Limited
6½ per cent., 15 year debentures.
Dated Oct. 1, 1927. Maturing Oct. 1, 1942.

Capitalization—

	Authorized	Outstanding
6% 1st mtge. bonds ...	$10,000,000	$7,664,500
6½% 15 year debs. ...	6,000,000	5,000,000
7% cum. pref. shs.	3,000,000	2,325,000
Com. shs., no par val. .	312,000 shs.	300,000 shs.

Stock Purchase Warrants—Each $1,000 debenture carries with it the right to purchase two shares of new no par value common stock at $40 per share up to Oct. 1, 1929; at $45 up to Oct. 1, 1931; and at $50 up to Oct. 1, 1933.

The Company—Is one of the leading manufacturers both of high grade pulp and sulphite paper and lumber in eastern Canada. The timber limits controlled amount to more than 4,300 square miles and in addition the company owns 13 sawmills in Quebec and New Brunswick. It owns the Stetson, Cutler Company, which further augments the company's annual output of lumber.

Purpose of Issue—To finance the expansion programme and to erect a high tension power transmission line, 40 miles in length, to Grand Falls, N. B.

Assets—Equal to $3,100 for every $1,000 debenture after allowing for outstanding first mortgage bonds. This figure does not include any valuation of the Stetson, Cutler assets.

Earnings—Earnings during the current year are running at the rate of at least 3.2 times the annual interest requirements of the present issue without allowing for depreciation and depletion charges. The earnings will increase with the almost 100 per cent. increase in the company's plant now under way.

Offered—Sept., 1927, by Royal Securities Corporation and Wood, Gundy and Company, at 99½ to yield 6.55 per cent.

STEEL DIRECTORS ISSUE STATEMENT

No Immediate Change in Capital is Contemplated, Evidently

The promised statement regarding the stock of Steel Company of Canada was issued after the directors' meeting Sept. 28. As was predicted in The Financial Post a week ago, nothing is announced which is of especial immediate encouragement to the stock market.

Ross McMaster, president, said that sales were at a higher volume than last year, but that prices were again lower. He pointed out that about $2,000,000 was being spent on plant betterment and renewal.

In respect to rumors which have been current, it was stated that the board has not considered any change in the capital structure of the company, and has heard of no offer for the shares.

Regarding statements which have appeared to the effect that dividend distributions have been inadequate in comparison with earnings, it will be ascertained from comparative figures that in recent years the proportion of earnings paid to the shareholders has been higher, in the case of the Steel Company of Canada, Limited, than the similar disbursements of practically all of the larger steel companies on this continent who have been following the policy of spending very heavy sums for improved plant facilities in order to keep pace with the rapid developments which have occurred during this period in steel works plant and practice.

While the results of the past two years have been quite favorable, it is well known that the steel industry has always been characterized by broad swings in conditions of trade. The directors have been mindful always of the interests of the shareholders, and may be expected to continue to administer the affairs of the company with that end in view, attaching a stability to the stock and its income which is of such prime importance to the investor.

Nearly $7 is Earnings Reported on Shares of Hiram Walker, Ltd.

Profit in Eight Months is Greater Than Best Twelve Ever Enjoyed by Old Company, Directors Learn

It is understood that the earnings of Hiram Walker, Ltd., as revealed at the meeting of directors in Toronto this week, showed a gain of more than 50 per cent. over the corresponding period of a year ago.

It was said, further, that the profit for the eight months of the fiscal year for which figures are available, show greater earnings than the best year ever experienced by the old company.

In the prospectus published at the time of the organization of the present company, it was stated that the net earnings over a six-year period of Hiram Walker & Sons, Ltd., averaged $1,524,417. This does not give the best year, when the company is believed to have enjoyed earnings of approximately $1,800,000. A 50 per cent. gain on this sum would be $2,700,000, which would be the equivalent of $6.75 the share. There are 400,000 shares outstanding.

Reduce Bank Loan

Several months ago it was reported authoritatively that earnings of Hiram Walker were running slightly better than $6.50 the share.

At the time of the organization of the new company, which acquired all the outstanding stock of the operating company, Hiram Walker & Sons, Ltd., the company owed its bankers $4,000,000. It is shown that this loan has been reduced by substantial amounts every month since the company came into existence.

This Week's Bond Sales

Arvida, Que.

An issue of $100,000 Arvida, Que.,5%, 20-year serial bonds has been awarded to the Union Trust Co. of Pittsburgh on a bid of 100.10, which is equal to a cost basis of 4.99%. The bids:

Union Trust Co.	100.10
Aluminum Co. of America	100.00
Versailles, Vidricaire & Boulais	98.81
L. G. Beaubien & Co.	98.80
Royal Bank of Canada	98.50

Middlesex County

The Bank of Montreal was the successful tenderer for an issue of $57,000 Middlesex County 5%, 15-instalment debentures, on a bid of 100.50, a cost to the country of 4.93%. The bids were:

Bank of Montreal	100.50
Fry, Mills, Spence & Co.	100.277
Bell, Gouinlock & Co.	100.26
Wood, Gundy & Co.	100.20
A. E. Ames & Co.	100.18
Matthews & Co.	100.11
C. H. Burgess & Co.	100.11
R. A. Daly & Co.	100.04
Royal Securities Corp.	100.037
Dyment, Anderson & Co.	100.02
Gairdner & Co.	99.932
McLeod, Young, Weir & Co.	99.77
Roberts, Cameron & Co.	99.16

Montreal Metropolitan Commission

A syndicate headed by Dominion Securities Corporation have been awarded the Montreal Metropolitan Commission issue of $6,037,000 4½% bonds. Bids were as follows:

Dominion Securities Corp., Dillon, Read & Co., Bankers Trust, Banque Can. Nationale, First National Corp. of Boston	96.20
Bell, Gouinlock & Co., McLeod, Young, Weir & Co., Fry, Mills, Spence & Co., Canadian Bank of Commerce	95.83
Wood, Gundy & Co. Harris, Forbes, National City Co., Guaranty Co.	95.32
Bank of Montreal, 1st National Bank, Kissell, Kinnicutt & Co., A. E. Ames & Co., Redmond & Co., Hallgarten & Co., Eldredge & Co., Salomon Brothers & Hutzeler, Hanson Brothers	95.33

Greater Vancouver Water

An issue of $1,500,000 Greater Vancouver Water District 4½%, 40-year bonds, has been awarded to a syndicate composed of Victor W. Odlum & Co., Cochran, Hay & Co., Fry, Mills, Spence & Co., and Gillespie, Hart & Todd at a price of 94.574. This price represents a cost to the district of 4.78%. The bids were:

Victor W. Odlum & Co., Gillespie, Hart & Todd, Cochran, Hay & Co. Fry, Mills, Spence & Co.	94.574
Royal Financial Corp.	94.49
Bank of Montreal, First National Bank, A. E. Ames & Co.	94.009
Pemberton & Son. Wood, Gundy & Co., Royal Bank of Canada	93.90
Canadian Bank of Commerce, Dillon, Read & Co., Dominion Securities Corp.	93.517
Royal Securities Corp., Bank of Nova Scotia, R. A. Daly, Matthews & Co.	93.14
Gillespie, Hart & Todd, Dyment, Anderson & Co., Bell, Gouinlock & Co.	92.77

PACIFIC COYLE SHOWS PROFITS FIRST YEAR

B. C. Tug Company Maintains Dividend on Preferred Stock

The first annual report of the Pacific (Coyle) Navigation Co., operating tugs, scows and barges on the Pacific coast, shows a net profit from operations for the period from June 15, 1926, to July 31, 1927, of $205,666, before taxes and depreciation.

Deducting $100,000 for depreciation and $20,000 for taxes, the net profit is $85,655. Of this sum, $64,144 has been paid in dividends and $8,218 has been transferred to reserve for redemption of first preference shares. The sum of $13,293 is carried to surplus, which now totals $491,035.

Of the 10,000 authorized 7 per cent. cumulative first preference shares of $100 par value, 7,305 have been issued and dividends paid thereon to May 31, 1927. Of a similar number of second preference cumulative shares authorized, 3,410 have been issued and dividends paid thereon to March 31, 1927.

Operates Many Tugs, etc.

Current assets total $234,214 and current liabilities are $116,269. Total assets are $1,703,237.

This company operates nineteen tugs, nine scows and thirteen barges in Vancouver harbor and elsewhere on the Pacific coast. The annual report, signed by E. J. Coyle, president, points out that with the depression in the lumber and logging business, there had not been as much timber towing in the last year as was anticipated, but with other harbor activity on a greater scale than was expected, the results for the year could be considered satisfactory.

In addition to the equipment mentioned in the foregoing, Pacific (Coyle) operates and manages on a fee basis the equipment owned by the Dominion Tug and Barge Co.

ALARMISTS WOULD BAN EVEN DESIRABLE EUROPEAN MIGRANTS

(Continued from page 1)

ever, not until 1925 had non-British immigration ever exceeded 37 per cent. of the total for any one year. In 1925 it stood at 38 per cent. In view of the records for the subsequent years, this was low. In 1926 the non-British immigration totaled 41 per cent. of the total, and in 1927 it reached 50 per cent. These figures, of course, are for the fiscal years, which end March 31. Now the statistics for the first four months of the current year are available and it is clear that the upward tendency is still continuing. For this period—April 1 to July 31—the non-British immigration was 52 per cent. of the total, and immigration in these four months was greater than in any year since 1914. The following table shows the sources of immigration and the trend in recent years:

Fiscal Year	Percent. of Non-British	Percent. of British	Percent. of U. S.	Total Immigration
1908	31	45	24	262,469
1909	23	36	41	146,908
1910	21	28	51	208,794
1911	21	39	40	311,084
1912	23	38	39	354,237
1913	27	37	36	402,432
1914	35	37	28	384,878
1920	6	50	44	117,336
1921	17	50	33	148,477
1922	24	43	33	89,999
1923	22	47	31	72,887
1924	37	49	14	148,560
1925	38	47	15	111,362
1926	41	39	20	96,064
1927	50	34	16	143,991
4 mths. ended July 31, 1927	52	36	12	89,722

The years of the war and the early post-war years are not included because they were almost barren of immigration and because, owing to the war conditions, there was virtually no foreign immigration.

Gain From Non-British Lands

As the table shows the rapid increase in non-British immigration commenced in 1924 and it has been growing in volume ever since. For the past two years immigration has been expanding and it is clear that the expansion is almost entirely the result of a larger movement from non-British countries. Immigration leaped in 1927 to 143,000, a gain over the preceding year of almost 50 per cent., and at the same time was a large increase in the non-British percentage. In the four months ended July 31 last, immigration was greater than at any time since 1914. In this period 89,722 immigrants were brought into Canada, as against 64,531 for the corresponding period of 1926-7. It is clear that unless this inflow is checked the total newcomers for this fiscal year will exceed 200,000. Yet of the 89,722 which have come into Canada in the new fiscal year, 52 per cent. are from non-British countries.

Many Canadians are afraid that there is a real danger in this rapid increase in non-British immigration. They fear that if continued, it might result in the British stock being no longer the basic stock of the Canadian people. The census returns show that there has been a reduction in the percentage of British stock in the Canadian population in the last two decades, and, at the same time, an increase in the percentage of continental European stock. Here are the figures:

	British stock per cent.	Contin. Europe stock per cent.
1901	57.03	39.21
1911	54.08	41.33
1921	55.40	42.07

In explanation it must be pointed out that the French population in Canada is classified as Continental European in origin. The French population, however, now amounts to silghtly over 20 per cent. of the total population, so that to-day about 20 per cent. of the Canadian population is Continental European in origin.

Of course the mere fact that an immigrant comes from Continental Europe does not signify that he is undesirable or of inferior quality. An analysis of the statistics for the four months ended July 31, 1927, when non-British immigration was highest, shows that among the 47,442 non-British brought into Canada were 16,715 Belgians, Dutch, Scandinavians and Germans. The remainder were divided as follows: Austrians, 424; Croatians, 643; Czechs, 450; Finns, 2,574; Italians, 1,868; Jews, 1,521; Jugo Slavs, 1,140; Magyars, 3,898; Poles, 5,167; Ruthenians, 6,702; and Slovaks, 2,953.

Here is probably the real answer to the alarmists. Most of the non-British immigrants come from various desirable stock. The number coming in from countries that produce people who do not assimilate easily is small.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	97¼	98¼
Abitibi P. & P. 6s, 1940	104¼	105
Algoma Steel 5s, 1962	30¼	31½
Alberta Pac. Grain, 6s, 1946	97⅞	98⅝
Bell Telephone 5s, 1955	102	102½
Belgo Can. Paper, 6s, 1943	101¾	102½
Brandram-Henderson, 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	85	89
Brompton P. & P. 6s, 1946	99½	101
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	93	94
Calgary Power 5s, 1940	92¾	93¾
Canada Biscuit, 6½s, 1946	100½	102
Canada Lt. & Pr. 5s, 1949	93¼	94
Can. Nor. Power, 6s, 1941	101	102
Can. Paperboard 7s, 1937	98½	101
Can. Steamships 5s, 1943	99¼	100
Can. Steampships 6s, 1941	98¾	99¼
Can. Steel Foundries, 6s, 1936	105¾	107
Davies, Wm., 6s, 1942	93	94
Dominion Iron 5s, 1939	32¾	35
Dominion Pr. and Tr. 5s, 1932	97¾	98½
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price 6s, 1966	105¼	105¾
East Kootenay Pr. 7s, 1942	103¾	104½
Elec. Development 5s, 1933	100¼	100¾
Famous Players 6½s, 1943	99	100
Fraser Co. 6s, 1950	99¾	100¼
Gatineau Power 5s, 1956	97	97½
Gatineau Power, 6s, 1941	100¼	100¾
Howard Smith P. & P. 6s, 1941	103¾	104¼
International Paper 6s, 1941	103¾	104¾
King Edward Hotel 7s, 1944	91	94
Lake Superior P. & P. 6s, 1941	105¾	106¼
Laurentian Pr. 6s. 1936	103¾	105
Laurentide Pr. 5½s, 1946	101¼	102¼
Maritime Tel. & Tel. 6s, 1941	104½	105¾
Manitoba Pr. 5½s, 1951	100¾	101½
Mercury Mills 6½s, 1942	102	103
Mont. L. H., & P. 5s, 1951	100½	101
Mont. Pub. Service, 5s, 1942	99	99¾
Nor. Ont. L. & P. 6s, 1946	100¾	101¾
Nor. West Utilities 7s, 1938	99¼	100¼
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	28	32
Nova Scotia Tram. 5s, 1946	92½	93½
Nova Scotia Tram. 7s, 1952	99¾	100½
Ont. Pulp & Paper 6s, 1931	108¾	110
Ottawa Hull Pr. 6s, 1948	103¾	104¾
Ottawa L., H. & P. 6s, 1953	104½	105¾
Ottawa Mont. Pr. 6½s, 1949	103½	104
Ottawa Trac. 5½s, 1955	100⅞	101½
Ottawa River Pr. 6½s, 1953	102½	103
Port Alfred P. & P., 6½s, 1943	104	105
Price Bros. 6s, 1943	103⅞	104⅝
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramways 5s, 1935	96	96½
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	96½	97⅝
St. Maurice Valley 6s, 1945	98¾	100¼
St. Maurice Pr. 6½s, 1953	107½	108¼
Shawinigan W. & P. 6s, 1950	104½	106
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	99¼	99⅞
Spanish River P. & P. 8s, 1941	106¾	107¼
West Kootenay Pr. 6s, 1943	103¾	104¾

Tenders and By-laws

Oct. 11, County of Peel—$30,000, 5 per cent. 10-instalment debentures. W. M. Willis, clerk, Brampton. (See announcement on page 16.)

Oct. 3, Parish of St. Dominique de Jonquiere, P.Q.—$40,000, 5 per cent., serial bonds. D. Simard, sec-treas.

Oct. 3, Parish of Ste. Foy, P.Q.—$21,500, 5 per cent., serial bonds. J. Morin, sec.-treas.

Oct. 4, Montreal Catholic Schools Commission—$2,200,000, 5 per cent., 35 year bonds. A Lafontaine, sec.-treas.

Oct. 1, School Commissioners of Montmagny P.Q.—$60,000, 5 per cent., serial debentures. J. N. R. l'Esperance, sec.-treas.

Oct. 7, Toronto Seperate School Board—$100,000, 5%, 20-year bonds. E. F. Henderson, sec.

Oct. 15, Regina Public School—$200,000, debentures. J. H. Cunningham, sec.-treas. (See announcement on page 16.)

October 14, School—Municipality of Saint Tite, P.Q., $53,900, 5 per cent, serial debentures. J. B. Moussette, sec.-treas.

SASKATCHEWAN

Authorizations Granted by the Local Government Board from Sept. 10 to Sept. 17, 1927

Schools: Denholm, No. 1916, $5,000; File Hills, No. 957, $800; Heathland, No. 1166, $1,500; Reigate, No. 4624, $700; Ashdell, No. 4725, $3,000; Horton, No. 2087, $2,500; Irandeal, No. 4719, $4,800; Wakaw P. P. S. No. 6 (village), $8,500; Beatty R. T., $1,450; South Crescent R.T. 3050; Langham, R.T. Co., Ltd., $300; Verdun, R. T. Co., Ltd., $250; Wapella Town, $2,000.

Debentures Reported Sold

Newburg, No. 4608, $4,000, 10 years, 5½ per cent, Turner & Co., Regina; Wynyard, No. 2499, $7,000; 10 years, 5½ per cent, Turner & Co., Regina; Dewdrop, No. 840, $4,500, 15 years, 5½ per cent., National School Supply; Flora, No. 4087, $3,700; 10 years, 6 per cent; Turner & Co., Regina; Esther, No. 4706, $2,000; 15 years, 5½ per cent, Waterman, Waterbury Co., Regina; Hawarden, No. $2339, $7,000; 10 years, 5½ per cent., H. J. Birkett & Co., Regina; Lashburn, No. 1743, $15,500, 20 years, 6 per cent., Cross & Co., Regina; Sunny Brook, No. 3826, $800, 8 years, 6 per cent., E. N. Watchler, Regina; Boule Creek R. T., $5,500, 15 years, 5⅝ per cent., Houston, Willoughby, Regina; Star City R. T., $500, 10 years, 6 per cent., P. Lindquiest, Star City.

BOND MOVEMENT OF THE WEEK

Week Ending September 27

Bonds	Int. Rate	Due	Yield	Range High	1926 Low	Range 1927 High	Low	Ask	Latest Price Bid	High	Low
Asbestos, gen. mtge.	6	1956	6.29	88¾	81¼	97⅞	88	.....	95	96	95½
Can. Bread	6	1941	5.27	106	104	107	105	.....	107	107½	.....
Can. Canners	6	1950	5.96	100	94	100½	96½	.....	100	100½	100
Dom. Iron	5	1929	12.55	94	86	92	69	....	87	87⅛	....
Montreal Trams "A"	5	1955	5.20	95	92½	97⅛	94¼	97	96⅝	97	96¾
Do., 1st.	5	1941	5.02	98½	93	99⅞	97⅞	99¾	99⅛	99¾	....
Quebec Rly.	5	1939	4.91	100	92	100⅞	96	.....	100⅝	100¾	100⅝
Riordan	6	1942	5.90	100½	100	101	101	.....	101	101	.....
Wayagamack	6	1951	5.92	100⅝	90	101	97	101	101¼	101	100
War Loan	5	1931	4.45	102.40	100.35	102.00	100.75	.....	101.50	101.85	101.80
Do.,	5	1937	4.45	104.95	102.75	104.90	102.95	.....	104.35	104.90	104.50
Victory Loan	5½	1927	4.90	102.50	100.15	101.70	99.85	100.25	100.10	100.00	99.90
Do.,	5½	1933	4.49	106.35	103.20	105.60	105.25	105.40	105.10	105.60	105.25
Do.	5½	1934	4.85	104.40	102.65	103.90	103.30	103.55	103.30	103.90	103.50
Do.	5½	1937	4.47	109.30	106.70	109.10	106.85	.....	108.25	109.10	108.65
Do., renewal	5½	1927	4.47	101.95	100.00	100.80	99.90	100.25	100.10	100.10	100.00
Do., renewal	5½	1932	4.80	103.90	102.00	103.55	101.85	102.75	102.50	102.90	102.70
Do., refund	5	1928	4.60	101.35	99.85	101.45	99.75	100.30	100.15	100.40	.....
Do., refund	4½	1940	4.55	96.95	95.60	100.15	96.50	99.10	98.85	99.90	98.90
Do., refund	5	1943	4.60	102.80	101.10	103.90	102.30	103.65	103.35	103.65	103.40
Do., refund	4½	1944	4.53	97.15	95.70	100.10	96.60	99.25	99.00	99.40	99.00
Do., refund	4½	1946	4.55	96.90	95.65	100.30	96.70	.....	99.40	99.60	99.55

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Greater Van. Water District	Sept.	V. W. Odlum & Co. and Syndicate	4½%	1967	$1,500,000	94.574	4.78
Montreal Metropolitan Com.	Sept.	Dominion Securities Corp. and Syndicate	4½%	——	6,037,000	96.20	4.735
Middlesex County	Sept.	Bank of Montreal	5%	15-ins.	57,000	100.50	4.93
Arvida, Que.	Sept.	Union Trust Co.	5%	20-yr.	100,000	100.10	4.99
Saskatchewan Schs., etc.	Sept.	Various	——	——	51,400	——	——
		PROVINCIAL					
British Columbia	Sept.	Wood, Gundy & Co., and Syndicate	4½%	30-yr.	$3,000,000	97.23	....
British Columbia	Sept.	Wood, Gundy & Co., and Syndicate	4%	2-yr.	3,000,000	98.86	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Fraser Cos.	Sept.	Royal Securities Corp.	6½%	1942	$5,000,000	99½	6.55
Massey-Harris Co.	Sept.	Wood, Gundy & Co. and Syndicate	5%	1947	12,000,000	95.75	5.35
Stock Issues—							
Chemical Charcoal Co.	Sept.	Stobie, Forlong & Co.	——	Com.	110,000	$20.00	——
Frontenac Copper Mines	Sept.	Smith, Pinder Co.	——	Treas.	100,000 shs.	.50	——

ON THE BARGAIN COUNTER
40 Shares Canada Tea Co., Pref.
(cum. 6%)
C. S. Scandrett, Pres.
Chas. Stark, jr., Vice-Pres.
Will Sell for $50 per share
S. JARDINE,
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NAME ....
STREET ....
CITY OR TOWN ....

A. Melville Dollar Obeys Unwritten Law of the Coast

He Returns to British Columbia Full Meed of Service For All That Country Has Done For Him

By H. T. MITCHELL.

SOMETHING more than forty years ago, Robert Dollar, his wife and three-year-old son migrated from Bracebridge, Ontario, to Michigan.

A lad of twelve, he had come from Scotland to make his fortune in the new world. By the time he was thirty his native acumen and energy had won him a small fortune in logs—but, unhappily, the fortune literally was in logs and log prices broke. And so, at thirty, Robert Dollar was bankrupt. He did not migrate then, but when he had met all his obligations and had a substantial amount to the good he decided to transfer his interest to Michigan timber. So he left Canada with his wife and his three-years-old son.

Captain "Bob" Dollar is still living, a citizen of United States. Most of the world knows him as Captain Robert Dollar, grand old man of the shipping world, pioneer in trans-Pacific trade, adventurer along the glamorous trade lanes of the South Seas, original of Peter B. Kyne's "Cappy Ricks," and the man who, at eighty years, refused to retire, but embarked on the greatest enterprise of his lifetime, the establishment of the world's first Around-the-Globe passenger steamship service—in all a remarkable figure.

Came Back of Own Accord

But this story concerns not him. It is about that boy who crossed the border into Michigan and who seemed destined to live his life away from the country of his birth. The other week in Vancouver he was elected unanimously to preside over the Canadian Chamber of Commerce. Canada has re-claimed him.

Melville Dollar's return to Canada was nearly as involuntary as his departure from Bracebridge. He was assigned by Captain Robert Dollar in 1920 to take charge of the Robert Dollar Steamship office in Vancouver. But his decision to regain Canadian citizenship and to make Canada his home was his own. In 1922 he sold his interest in the Dollar company, established the Canadian American Shipping Company, and is to-day one of the principal ship operators in the Port of Vancouver.

As this is written the Vancouver Merchants' Exchange board shows twenty steamships under charter to the Canadian American Shipping Co.

If Melville Dollar is unknown to Canadian business men outside of British Columbia it is because he has so lately established residence in Canada and because, until this year, he has confined his efforts to the founding of his now well-established steamship business and to board of trade work in British Columbia.

Like Father; Like Son

Heredity and environment make us. A son of Captain Robert Dollar, trained by Captain Robert Dollar, might rightly be expected to inherit and to acquire many of the traits that made the father so outstandingly a constructive genius and leader.

Melville Dollar's training has been entirely practical. His father had not stayed long in Michigan. He saw in the great timber stands of the Pacific slope a greater opportunity and he moved to San Francisco.

At twelve years of age Bob Dollar had sorted shingles in J. R. Booth's first mill. At seventeen Melville Dollar was stacking lumber for Captain Robert Dollar in a San Francisco lumber yard. His father was not then dreaming of conquest by sea and he had figured that if the boy was to succeed him in the lumber business he should get to know lumber intimately and by personal contact.

About a year of that somewhat uninspiring occupation was perhaps responsible for the fact that to-day Melville Dollar, despite his high rating in Dun's and Bradstreet's is a man among men, not above men.

Bookkeeper in San Francisco

From the lumber yard he graduated to a bookkeeper's stool in Dollar's San Francisco office and there learned the elements of business accounting.

Knowing Captain Robert Dollar one may assume that there was a thoroughness about that early training that would have brought out the abilities of his son and carried him far regardless of family connections.

In those days San Francisco was the metropolis of the Pacific Coast, but still a comparatively small port—not approaching, for instance, the Vancouver of to-day. The Panama Canal was still a dream. Trade from San Francisco was via the Horn, across the Pacific or Coastwise.

Robert Dollar, lumberman, was glimpsing the possibilities of the trans-Pacific trade and was chartering schooners and small steamers in the south seas and China trade with some success.

Traveled Throughout World

In the office and at home Melville, passing into his early twenties, heard talk of commerce by sea, caught the color and romance of it and knew that for him no other department held the appeal that lay in the steamship end of the business.

Accordingly he worked into that wing of the organization and in due time became manager of the Dollar steamship line, with full charge of the rapidly growing marine trade.

In that capacity he traveled widely, visiting Europe and the Far East. In China the Dollar company soon made its presence known in the coastwise and Yang-Tse River trade and remains to-day one of the most powerful companies active there.

Under Melville Dollar's direction the steamship business far outgrew its progenitor, the Dollar lumber industry.

When he was transferred to Vancouver in 1920 to open a Canadian office, Melville Dollar was one of the senior partners in the immense Dollar organization.

In British Columbia he found two minor interests. He was drawn into board of trade work and he became enamored of the British Columbia coast, truly a yachtsman's paradise.

Unwritten Law of Coast

There is an unwritten law in British Columbia that a man making a success in the community must return to it a measure of service if he is to retain public respect.

The Vancouver Board of Trade, ranking with the best in Canada, has a way of commandeering services, politely but firmly.

Melville Dollar, as manager of the Dollar office in Vancouver, was eligible for Board of Trade membership and, without particular enthusiasm, acceded to the invitation to join. He was willing to sit in at meetings occasionally and to comply with the easy requirements of the average chamber of commerce. It was not long before he changed from a passenger to one of the crew and he has been on duty ever since.

When he made the switch from manager of the Dollar office in Vancouver to operator on his own account he gave even more time to community service and was for a term president of the Vancouver Merchants' Exchange.

Helping Apple Industry

His first important commission with the Vancouver Board of Trade was to represent that body on a committee formed to save the apple industry of British Columbia from the imminent danger of a season of complete demoralization.

IS WORTHY SON OF FAMOUS FATHER

A. MELVILLE DOLLAR.

Vancouver shipping magnate and son of the famous Captain Robert Dollar, elected president of Canadian Chamber of Commerce. He will travel across Canada at least three times in the coming year.

There was no semblance of co-operation among the growers and with the distributors of their products. A bad feeling had arisen in the Okanagan Valley, heart of the British Columbia apple-growing industry, toward Vancouver. It was charged that Vancouver gave no support to the Okanagan and preferred early fruit from the State of Washington.

The Board of Trade sent Melville Dollar into the fruit country. It could not have chosen a better man.

There is nothing "citified" or smooth about him. He did not typify the unscrupulous enemy of Water Street, Vancouver. He was—and remains—blunt and direct in his speech and in his mind. He propounded no brilliant plan but talked common sense and co-operation and assured the growers that Vancouver would buy their surplus apples that season by forced measures, if necessary, but that in future seasons wider marketing and more efficient marketing would be in order. It was a campaign of co-operation between grower and consumer that preceded the organization of the Associated Growers of British Columbia.

Shipping Man to Handle Apples!

A grower once remarked to the writer: "I laughed when I heard that Vancouver was sending a shipping man into the Okanagan to tell us how to handle apples. But Dollar won our respectful attention immediately and threw some clarifying light into a situation that had become hopelessly muddled. We did not make much money on our crop that year, but at least we avoided the losses that seemed to stare us in the face when we were confronted with a huge surplus. Melville Dollar is gifted with simplicity."

In 1925 Mr. Dollar was elected president of the Vancouver Board of Trade. His best service, again, was in a missionary campaign in smaller cities and rural communities of the province.

British Columbia has a population of about 600,000. Of that number 350,000 live a 45-mile radius from the Vancouver Post Office. In rural British Columbia the complaint is often heard that Vancouver is inordinately large and the rest of British Columbia suffers in consequence. It is not a well-founded grievance, but from time to time it has disturbed the province.

Not Born to be Orator

Melville Dollar, with a party of Board of Trade members, went into towns that were critical of Vancouver and Vancouverites almost to the point of hostility, and left them allies with Vancouver in the task of building the West.

He has no gift of speech. He had never said ten words in public until five or six years ago. For months it was visibly an ordeal for him to talk to a large gathering. But with characteristic determination he went through with the business of becoming reasonably vocal. Speech as a polite art has no meaning for him. It is not an end in itself but a means to an end. No chairman will ever call "Time," to him.

Men who have sailed with Melville Dollar in his converted sub-destroyer along the fjord-cut coast of British Columbia into the silence of that wonderland of beauty have remained his friends. In those still places he finds his rest and recreation. Golf has not claimed him.

It took hours of strenuous arguing to pursuade him that he should accept the nomination for presidency of the Canadian Chamber of Commerce. But having set his hand to the plow he will not turn aside and the furrows will be deep and straight.

"What will be your policy," he was asked.

"Helping agriculture and industry to work together," he said.

During the coming year he will make at least three trips across Canada on business of the Chamber of Commerce.

Peace River Settlement Heavy

Pouce Coupe, Alberta. This summer this district of the Peace River has enjoyed the greatest measure of land settlement for some years. A large number of new settlers have arrived and many quarter sections have been sold or rented.

Western Investments

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

Our organization covers every section of the province.

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A REGULAR INCOME—
month by month is what a man would choose to leave for his family.

A lump sum is too easily dissipated. No matter how wise and thrifty a woman may be in the management of her household, her experience, as a rule, has not fitted her for the executorship of a will, the settlement of an estate, the handling and investing of life insurance. Lacking the facilities to carry on the work easily, she finds the task a heavy burden.

Assure her a regular income by placing your estate in trust for her.

Though the estate comprises real property, securities, life insurance and a going business, The Canada Permanent has facilities and experience to handle them all to the best advantage.

This is the most economical and surest way to make the estate which you have accumulated provide permanent comfort for your family.

We suggest you talk it over with a Canada Permanent Executive.

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Would they, or an individual Executor have, in your judgment, the necessary skill and experience?

You are not certain of it, but you may rest assured that in fidelity of service, in its continuance, and economical management, this Company would fulfil all your wishes as your Executor and Trustee.

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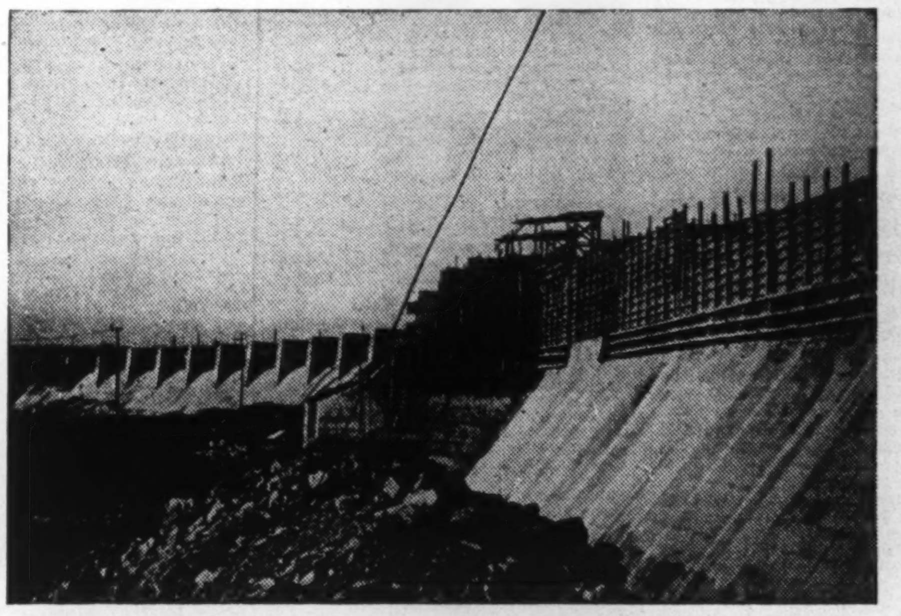

Downstream side of spillway, Gatineau Power Company's dam.

Concrete Looms Large in the Growth of the Power and Pulp and Paper Industries

THE recent huge developments in the Gatineau District of Quebec, sponsored by the Canadian International Paper Company, are particularly notable examples of the vital part played by concrete in harnessing Canada's water power and promoting the growth of her Pulp and Paper industry. Inaccessibility of site, which not so many years since made operations on anything like the modern scale impracticable, is to-day, a minor consideration. Concrete lends itself readily to topographic difficulties, helps simplify engineering problems and presents no great difficulty of transport. Stone, sand and water are always available on location. Cement, the other component, is easily hauled and handled, and is available in any quantity.

We maintain a Service Department to co-operate in all lines of work for which concrete is adapted. Our library is comprehensive and is at your disposal at all times, without charge. Write us.

Always specify "Canada" Cement. It is uniformly reliable. "Canada" Cement can be secured from over 2,000 dealers in nearly every city, town and village in Canada. If you cannot locate a convenient dealer, write our nearest sales office.

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SASKATCHEWAN FARMER BECOMES BIGGER INVESTOR

Much of Province's Financing is Now Done at Home

From Our Own Correspondent.

REGINA.—Weaning the Saskatchewan farmer from the practice of putting his savings into a sock or lending them to his neighbors has not been a difficult matter. And the existence of the saving can be demonstrated merely by the proof that Saskatchewan is becoming a lending province. By the same fact is it proven that however ingrained as a national trait in their own respective countries the hiding of savings was, the new Canadian, as well as the native, quickly adopts the modern method of investment. Little more than a decade ago Saskatchewan appeared to be a confirmed borrower. The general idea was that if anything was to be made, built or constructed the money must come from outside the province.

Learned in War Loan Campaigns

Since that time opinions have changed radically. And for this we must look to one of those hidden benefits of the great war. The war loan campaigns of the government not only impressed on the Saskatchewanite, the virtue of saving, but it showed him the bond method of investment and the value of the fixed return on investments at regular intervals. The practice has increased as the amount of money for investment has increased with the succession of good crop years, and the maintenance of good prices. To-day Saskatchewan is largely in a position to furnish loans for its rural needs and does do so. A ready market for school district and rural telephone debentures has grown up. They are absorbed by the various sinking funds —which in the case of cities and towns of the province now reach the respectable total of, in round figures, $10,000,000—and by private investors. More than this, bonds of industrial companies have been offered with more or less success.

In general practice the provincial government and the larger cities still offer their bonds in the large markets of the continent. And, of course, it is likely that they will always do so in order to secure the benefit of competitive bids. But a strikingly large percentage of these bonds come back to the private holdings of investors resident within the province and in some cases the city concerned. One Regina brokerage firm declares there is a well defined movement of bonds back to the province even from as far away as England and Scotland. The firm from its own experience was willing to say that the amount they had thus handled was $300,000 in the past seven years. Others report similarly. It is, in fact, not at all unlikely that new borrowing on a small scale by the government, in the immediate future, to pay off a pending maturity may be done entirely within the province.

Farmers Invest in Elevators

Of the recent financial history of the province the most striking chapter is one dealing with the ability of the farmer to finance operations in a large way. Little has been said, apart from the notice received in the provincial press, of the transfer of the Co-operative Elevator Company to the Wheat Pool by the purchase of its assets. Of course, both of these were farmer associations and largely the transfer was effected by taking out of one pocket to put back into another. Nevertheless real cash was involved in large sums. The whole transaction is one necessitating the payment of money by the pool and the subsequent disbursement of the amounts so paid among the shareholders of the Co-operative Elevator Company. Line elevators and terminals both at the Head of the Lakes and at Buffalo were among the properties transferred. To date the pool has paid out $3,400,000 in cash, principal and interest, to the liquidators of the Elevator Company and has signified its willingness to pay the balance owing on the properties, roughly $5,900,000 in cash at once, provided a discount of ten per cent. is allowed in view of the fact that under the terms of the agreement of sale the amount is payable only at the rate of $1,000,000 per annum, principal, interest plus. This offer now is under the consideration of the liquidators and the shareholders and it is possible it may be referred to the courts for formal sanction in the near future. Should this phase of the deal be carried out the whole transfer will reach completion in two years.

And almost $9,000,000 will have been saved by the farmer to make it possible. This is a far cry from the days only sixteen years back, when every elevator in the province was built by outside capital and before Charles Dunning commenced to organize the Co-operative Elevator Company. That company has been an astounding success. It is worth a story in itself, not the less because on the foundation thereof Mr. Dunning started his public career which has taken him from the Saskatchewan homestead to the federal cabinet at Ottawa. That, however, is somewhat outside the scope of this story which is solely to show that Saskatchewan is becoming a more important unit in the financial machinery of this Dominion and is showing an increasing tendency to become self-contained in its monetary dealings.

PROPOSE STANDARD FORM OF APPRAISAL PROTECT INVESTORS

National Real Estate Board Now Drawing Up New Schedule

With the flood of real estate mortgage bonds in the last few years, certain abuses have crept in which have tended to undermine public confidence in this type of security.

The method or lack of method in forming an appraisal of the value of the assets covered by the mortgage has been and is one of the weaknesses in real estate bonds. An appraisal is at best an opinion, but the man who puts his month-by-month savings into real estate bonds on the banking institution about to finance a million-dollar building likes to have the soundest possible assurance of the value back of the investment.

To this end the National Association of Real Estate Boards, representing Canadian and American interests, has undertaken an intensive survey of the question with a view to establishing a standard form of appraisal.

The proposed form is aimed to go into such detail that the appraiser who fills it out in making his valuation must have had before him the pertinent facts and considerations for a proper judgment.

Stringent Regulations

It further safeguards the investor by requiring the appraiser to give an affidavit that his employment in making the appraisal was in no manner contingent upon the amount of the valuation, and that he has himself carefully inspected the property appraised. It requires him either to certify under oath that he has no interest in the property or to give an affidavit disclosing exactly what his interest in the property is.

The proposed form requires that if one appraiser has separately valued the land and another appraiser has separately valued the building the appraisals must be made as one joint appraisal, signed by both appraisers, and the appraisal must be adjusted and reconciled, and must contain a statement that the valuation as finally determined is the opinion of both appraisers as to the total fair cash value of the property.

The practice of having one appraiser make the valuation of land and another of the building, then using the total of the two as the true value has been emphatically condemned by the association as unsound.

Make for Wider Market

General use of the proposed standard appraisal certificate would be a large step toward standardization of appraisal method. Such standard ization would greatly safeguard real estate investments. It would further facilitate inter-city and inter-provincial flow of capital for real estate investment, and would tend to make real estate a more liquid commodity, officers of the National Association point out.

The appraisal form is expected to be of especial value in connection with the safeguarding of real estate mortgage bond issues, which have come in the past few years to be a large factor in the financing of urban building.

The doing away with any uncertainty in regard to the appraisal should go a long way toward strengthening the position of this desirable type of financing. For after all, the soundness of the appraisal upon which a real estate bond issue is based is the foundation of the bond issue itself.

Million-Dollar Addition to Clifton Hotel is Authorzied

A 12-story addition, containing 100 to 150 bedrooms and costing in the neighborhood of $1,000,000, is being added to the Clifton Hotel, Niagara Falls, this fall, according to an announcement by the United Hotel Co. The new addition will be open in time for the 1928 season.

Hitherto, the Clifton has operated only from early spring to late fall, but as all rooms in the old and new structure will be steam-heated, the hotel will remain open the year round now. The design of the building, furnishings and services offered will be of the high standard for which the United Hotels are noted.

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TORONTO STOCK BROKERS MONTREAL
Members: Montreal Stock Exchange.
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ROYAL BK. BLDG. TORONTO ELGIN 6448.

New Issue

$12,000,000

Massey-Harris Company, Limited

Twenty-Year 5% Sinking Fund Gold Debenture Bonds

To be dated October 15th, 1927. To mature October 15th, 1947.

To be authorized and issued, $12,000,000. Principal and semi-annual interest (April 15th and October 15th) payable, at the holder's option, in Canadian gold coin at any branch in Canada of The Canadian Bank of Commerce (except in Yukon Territory), or in United States gold coin at the Agency of The Canadian Bank of Commerce, New York, or in gold coin of the Kingdom of Great Britain at The Canadian Bank of Commerce, London, England, at the fixed rate of $4.86 2/3 to £1 Sterling. Issuable as Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only and fully registered Bonds in denominations of $1,000. Coupon Bonds and fully registered Bonds interchangeable as provided in Trust Deed. Redeemable, except for Sinking Fund purposes, at the option of the Company, as a whole or in part at any time on thirty days' notice at the following prices and accrued interest: at 103 if redeemed on or before October 15th, 1932; thereafter at 102 if redeemed on or before October 15th, 1937; and thereafter at 101; or for the Sinking Fund on thirty days' notice on any interest date at 100. The Toronto General Trusts Corporation—Trustee.

Semi-annual Sinking Fund commencing April 15th, 1928, at the rate of $600,000 per annum, sufficient to retire all of the Bonds at or before maturity.

Upon completion of this financing, these Bonds will constitute the Company's only funded debt.

For detailed information, we refer to the prospectus containing letter from Mr. Thomas Bradshaw, Vice-President and General Manager, which has been summarized in part as follows:

The Company

Massey-Harris Company, Limited, is the largest manufacturer of farm implements in the British Empire. The Company operates six factories, namely, in Toronto, Ontario; Brantford, Ontario (2); Woodstock, Ontario, and through wholly-owned subsidiaries, at Marquette, France (near Lille), and at Berlin, Germany. The Company owns over 99% of the issued Shares of Massey-Harris Harvester Company, Incorporated, with factory at Batavia, N.Y. The Company or its subsidiaries manufactures practically every type of farm implement, the combined capacity of the plants being more than 275,000 complete machines annually, in addition to a full complement of spare parts.

The Company has firmly established markets for its products in practically every important grain-producing country. By reason of these broad markets, it has the advantage of participating in agricultural prosperity in all parts of the world.

Earnings

Average annual net earnings of the Company and its subsidiaries for the ten years ended November 30th, 1926, available for Bond interest and depreciation, were $1,781,450—equal to over 2¾ times annual interest on this Bond issue.

For the three years ended November 30th, 1926, corresponding average annual net earnings were $2,446,383—equal to over 4 times annual interest on this Bond issue.

For the year ended November 30th, 1926, corresponding net earnings were $3,390,158—equal to over 5½ times annual interest on this Bond issue.

Sales for the first nine months of the current fiscal year were well in excess of sales for the corresponding period of the preceding fiscal year. It is expected that net earnings for fiscal year ending November 30th, 1927, will at least equal or exceed those of the year ended November 30th, 1926.

Assets

Net tangible assets of the Company and its subsidiaries, including land, buildings and equipment and current assets, after giving effect to the proceeds of this Bond issue and deducting all current liabilities, according to the Consolidated Balance Sheet as at November 30th, 1926, had a depreciated value of $38,974,257—equal to $3,248 for each $1,000 Bond. Patents and goodwill are carried in the Company's books at a valuation of $1.

Working Capital

Net current assets of the Company and its subsidiaries, according to the Consolidated Balance Sheet, as at November 30th, 1926, after giving effect to the proceeds of this Bond issue and deducting all current liabilities, were $32,959,708. Current assets were over 15 times current liabilities. On completion of this financing, the Company and its subsidiaries will have no bank loans.

Purpose of Issue

The proceeds of this Bond issue will be used to retire $1,600,000 Joint Sinking Fund Gold Debenture Notes issued by Massey-Harris Company, Limited, and Massey-Harris Harvester Company, Incorporated, which have been called for redemption; for plant improvements and extensions; and to pay off, in their entirety, bank loans of the Company and its subsidiaries, thereby further improving the Company's strong liquid position.

Debenture Bond Issue

The Twenty-year 5% Sinking Fund Gold Debenture Bonds, limited in principal amount to $12,000,000, all of which will now be issued, will constitute, upon completion of this financing, the only funded debt of Massey-Harris Company, Limited. The Bonds will be a direct obligation of the Company and will be secured by Trust Deed constituting a specific first registered mortgage and charge on the Company's real and immovable property in the City of Toronto and a floating charge on all other of the Company's assets, present and future, unregistered except in the office of the Provincial Secretary of Ontario and in the office of the Secretary of State at Ottawa. The Company will covenant that, so long as any of these Bonds are outstanding, it will not create or issue any additional funded debt, to be defined in the Trust Deed, ranking prior to or pari passu with these Bonds; but this covenant shall not apply to purchase-money mortgages or to existing liens on property hereafter acquired.

We offer these Bonds, subject to prior sale, for delivery if, as and when issued and accepted by us and subject to the approval of our Counsel, at

Price: 95.75 and interest, yielding about 5.35%

Wood, Gundy & Company
Limited

Dominion Securities Corporation
Limited

A. E. Ames & Co.,
Limited

The Royal Bank of Canada

The Canadian Bank of Commerce

McDougall & Cowans

Greenshields & Company

Royal Securities Corporation
Limited

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Bonds. We do not guarantee, but believe the statements herein made to be true.

Calgary, Alberta
Stocks, Bonds, Grain & Oil Leases
Carlile & Farr Ltd.
Private wire to all markets.
Correspondents of
Osler & Hammond.

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

Capital: $1,000,000
Reserve: 350,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE EASTERN TRUST COMPANY
Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

Free Manual
Covers over 1,000 listed New York Stocks, giving high and low prices from 1906 to date, dividends, etc. Also gives high and low prices New York Cotton, Chicago Grain. Send for your FREE copy today. Dept. A-34.
H. C. SCHAUBLE & CO.
79 Wall Street, New York

WHEN REMITTING
SEND
CANADIAN NATIONAL
EXPRESS
MONEY ORDERS

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

USE JOLIETTE STEEL CASTINGS

One of the 12'6" rings for New Type Drum Barkers being manufactured in our plant for William Hamilton Limited, Peterboro, Ont.

We specialize in the manufacture of steel and alloy castings of every design for **Pulp and Paper Machine Builders** as well as for repair castings for Paper Mills. May we receive your inquiries?

Our "Joliette-Orbit" Steel will give greater resistance to shock while our "Joliette-Tisco" Manganese Steel will give maximum resistance to abrasive wear.

JOLIETTE STEEL LIMITED

All Steel Manufactured Under the Supervision of
TAYLOR-WHARTON IRON AND STEEL COMPANY
of High Bridge, N.J.
JOLIETTE, P.Q.

Paper Companies All Growing New Forests

"The more we have engaged in reforestation work, the more enthusiastic we have become," George Chahoon, president of the Laurentide Company, stated recently. "We started our nurseries some ten years ago, and we feel that the plantations we have established near the site of our Grand'mere mill will in course of time be one of the most valuable assets of the company. During the past year some three million seedlings were set out by the company.

"Laurentide is but one company which is endeavoring to make perpetual the annual yield from its forest assets."

Spanish River, and Abitibi Power & Paper Co., as well as other companies engaged in the pulp and paper industry have extensively engaged in reforestation. The work is being done along the most modern lines and the companies have undertaken it on their own initiative without any pressure or assistance from either federal or provincial governments.

A spruce nursery was established by Spanish River Pulp & Paper Mills in 1920, and approximately 200,000 four-year-old white spruce plants were set out in the Goulais River plantation early this year. This is an area that has been burned over twelve times since logging operations on it ceased. To-day in place of a treeless waste of burnt land, some 650,000 seedlings are rapidly pushing forward to maturity.

FOREIGN EXCHANGES

Gold Will Move to Canada Shortly

The expected move upward in Canadian funds took place this week, when the rate reached a premium of 9-64 of 1 per cent. A further advance will see the movement of gold from New York to Canada. Last year between $30,000,000 and $50,000,000 of gold flowed between the two countries. It is not expected that the movement will be so large this year on account of the redemption of government loans falling due this fall, a large proportion of which are payable in New York.

Foreign exchanges, in the main, continued strong. Sterling reacted slightly after touching a high of $4.86 19/32. Guilders established a new high for the year at $.4010, while yen and Norwegian were higher. Pesetas reacted after early strength. Talk of a Spanish loan in the United States has been generally disregarded as that country is able to borrow funds internally at more advantageous rates than would be the case if it came to New York.

NEW YORK FUNDS

	High (Discount)	Low (Discount)	Last Year High (Discount)	Last Year Low (Discount)
Sept. 22	9-64	9-64	9-64	5-32
Sept. 23	1-8	9-64	9-64	5-32
Sept. 24	1-8	⅛	9-64	9-64
Sept. 26	1-8	9-64	9-64	9-64
Sept. 27	9-64	9-64	5-32	11-64
Sept. 28	9-64	5-32	5-32	11-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Sept. 22	4.86 7/32	3.92⅛	5.45
Sept. 23	4.86¼	3.92⅛	5.45
Sept. 24	4.86 5/16	3.92⅛	5.45
Sept. 26	4.86 5/16	3.92⅛	5.45
Sept. 27	4.86¼	3.92⅛	5.45
Sept. 28	4.86 5/16	3.92⅛	5.45

FOREIGN EXCHANGE

Par		Sept. 21	Sept. 28
13.90	Italian	5.44¼	5.45
23.82	German	23.78	23.77
19.30	Belgian	13.91	13.91
84.85	Japan	46.45	46.50

The Spanish River Pulp and Paper Mills
LIMITED

SIXTEENTH ANNUAL REPORT
FOR THE FISCAL YEAR ENDING JUNE 30th, 1927

DIRECTORS

Geo. H. Mead, P. B. Wilson, J. G. Gibson, T. Watson Sime, G. R. Gray, T. H. Watson, C. H. L. Jones

OFFICERS

President ... ... Geo. H. Mead
Vice-President ... ... G. R. Gray
Secretary ... ... J. G. Gibson
Vice-President ... ... C. H. L. Jones
Treasurer ... ... A. H. Chitty

Transfer Agents: The Royal Trust Company, Toronto and Montreal
Registrars: Montreal Trust Company, Toronto and Montreal
Secretary's Office: 707 Bank of Hamilton Building, Toronto

The following Annual Report of the Company was unanimously approved by the Shareholders at the Annual Meeting held September 22nd, 1927:

TO THE SHAREHOLDERS OF
THE SPANISH RIVER PULP AND PAPER MILLS, LIMITED:

Your Directors have pleasure in submitting the following report of the operations of The Spanish River Pulp and Paper Mills, Limited, including Lake Superior Paper Company, Limited, for the year ending 30th June, 1927:

SUMMARY OF INCOME ACCOUNT

Gross Profits for the Year	$3,065,261.63
Less: Reserved for Depreciation	584,245.79
	$2,481,015.84
Less: Interest on Funded Debt and Other Loans	665,903.16
	$1,815,112.68
Less: Appropriation for Contingencies and Government Taxes	100,000.00
Net Profits for the Year	$1,715,112.68
Add Surplus as at 30th June, 1926	7,009,309.37
	$8,724,422.05

APPROPRIATIONS

Dividends at 7% per annum on Preferred Stock	$603,365.00	
Dividends at 7% per annum on Common Stock	661,290.00	
Proportion of Dividend paid to Bondholders	140,517.24	
Transferred to Reserves	144,301.29	
		$1,549,473.53
Surplus as at 30th June, 1927		$7,174,948.52

During the period under review, the production of Newsprint in Canada was materially increased by a number of new machines coming into operation which has created for the time being a surplus tonnage. This has necessitated some curtailment in production, which, combined with lower average prices, accounts for the decrease in net profits as compared with the previous year.

Having regard to the conditions referred to, the Directors feel that the results of the year, to which many economies made in Operating Costs have largely contributed, should be regarded as satisfactory.

There has been a substantial increase in the "Property Account" due to expenditures on additions and improvements to the various Mills to increase efficiency and to reduce Operating Cost, also to outlays on Power Equipment and Water Conservation. The Directors feel that these expenditures will be amply justified by the results obtained.

Pursuing the policy of enlarging the Company's interests in the development of the paper industry in Canada, your Directors have acquired a holding in the Ste. Anne Paper Company, Limited, recently built at Beaupre, Quebec, and now in operation.

The strong cash position as indicated in the last report has enabled the Company to make the required expenditures on Property Account and to add to its investments in affiliated newsprint companies without raising additional capital for this purpose. It will also be noted that the bonded indebtedness of the Company has been reduced during the year by $583,966.

On May first the resignation of Mr. P. B. Wilson as Vice-President and Comptroller of the Company was with regret accepted to permit of his undertaking the very important work of Treasurer of the newly formed Canadian Newsprint Company. The Board wishes to express its great appreciation of Mr. Wilson's loyal and most valuable service extending over a period of more than thirteen years, and its pleasure that he is able to continue an important adviser as a Director of our Company.

Your Directors desire to record their appreciation of the loyal and efficient services rendered by all employees during a somewhat difficult year.

By Order of the Board,
GEO. H MEAD, President.

Toronto, Ont., August 20th, 1927.

THE SPANISH RIVER PULP AND PAPER MILLS, LIMITED
LAKE SUPERIOR PAPER COMPANY, LIMITED

CONSOLIDATED BALANCE SHEET AS AT 30th JUNE, 1927

ASSETS

PROPERTY ACCOUNT		$33,814,181.44
INVESTMENTS AT COST		1,077,500.00
CASH IN HANDS OF TRUSTEE for Sinking Fund 1st Mortgage Bonds..		151,378.54
CURRENT ASSETS—		
Pulpwood, Woods Equipment, Stores and Finished Products	$6,766,601.25	
Accounts Receivable, Less Doubtful Debts	1,720,947.63	
Bonds of Company and Affiliated Companies	736,827.46	
Dominion of Canada Bonds	995,515.00	
Cash in Banks and on Hand	268,840.90	
		10,488,732.24
DEFERRED CHARGES		451,684.59
		$45,983,476.81

LIABILITIES

		Authorized	Issued
CAPITAL STOCK—			
Common		$10,000,000.00	$9,447,000.00
Preferred 7% Cumulative Participating		10,000,000.00	8,619,500.00
		$20,000,000.00	$18,066,500.00
BONDED INDEBTEDNESS—			
1st mortgage 6% bonds Authorized and Issued		$9,000,000.00	
Less: Redeemed and Cancelled		2,534,860.00	
			$6,465,140.00
6% Serial Mortgage Lien Notes Authorized and Issued		$3,500,000.00	
Less: Redeemed and Cancelled		2,812,000.00	
			688,000.00
General Mortgage Bonds Authorized, $20,000,000.00— Series "A" 8% Bonds Authorized and Issued		$3,000,000.00	
Less: Redeemed and Cancelled ...	$177,500		
Cash in Hands of Trustee to Redeem	73,000		
		250,500.00	
			2,749,500.00
			$9,902,640.00
CURRENT LIABILITIES—			
Trade Accounts and Bills Payable, including Government Taxes		$1,262,101.03	
Accrued Interest on Bonds and Notes		204,033.62	
Dividends Declared (Paid 15th July, 1927)		386,422.37	
			1,852,557.02
RESERVES—			
Depreciation		$7,151,982.99	
General		1,834,848.28	
			8,986,831.27
SURPLUS			7,174,948.52
			$45,983,476.81

We have audited the books and accounts of The Spanish River Pulp & Paper Mills, Limited, and of its subsidiary, the Lake Superior Paper Company, Limited, for the year ending 30th June, 1927, and certify that the above Consolidated Balance Sheet is properly drawn up and shows a true and correct view of the state of the combined Companies' affairs, and that the results from the operations for the year are correctly set forth in the annexed report of the Directors, according to the books of the Companies and to the best of our knowledge and the explanations given us.

All our requirements as Auditors have been complied with.

20th August, 1927.

PRICE, WATERHOUSE & COMPANY,
Chartered Accountants.

links in the chain of efficient production

at the new mill of the Anglo-Canadian Pulp & Paper Mills, Ltd., Limoilou, P.Q., Canada. Geo. F. Harding, Consulting Engineer.

Each of the 1253 H.P. Water Tube Boilers being equipped with

Taylor Rotary Ash Discharge Underfeed Stokers
Diamond-Automatic Valve-in-Head Soot Blowers
A. E. Co. Water Walls
Rust Refractory Settings
A-S-H Hydrojet System for sluicing ashes.
Forced Draught Fans
Induced Draught Fans of the Cinder Collecting Type

and other accessories which are being furnished and installed by

AFFILIATED ENGINEERING COMPANIES LIMITED

Head Office: Southam Building, Montreal
Toronto Office: 615 Yonge Street

Brown Corporation
(A Canadian Corporation)

THE holdings of this corporation comprise a pulp-making plant with a daily capacity of 240 tons of sulphate pulp, and chemical works for utilization of all waste, representing a cash investment of $15,000,000.

Water-power (developed and undeveloped) .... 140,000 h.p.
The corporation's timberlands comprise approximately:

1,000,000 acres in fee simple.
2,200,000 acres in timber leases.
160,000 acres in stumpage.

With an estimated total of over 13,000,000 cords of pulpwood, the corporation **has practically an unlimited supply of raw material.**

The Brown Corporation markets most of its tonnage to the parent company, Brown Company, Portland, Maine, the largest manufacturer of Bleached Sulphite and Kraft Paper in the United States.

Capital

7% First Preferred - - - $1,800,000
Common - - - - - - 10,000,000

Principal Offices

71 St. Peter Street, Quebec, P.Q.

Mills at La Tuque, P.Q.

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. PUBLICATION OFFICE: TORONTO, SEPTEMBER 30, 1927 No. 39

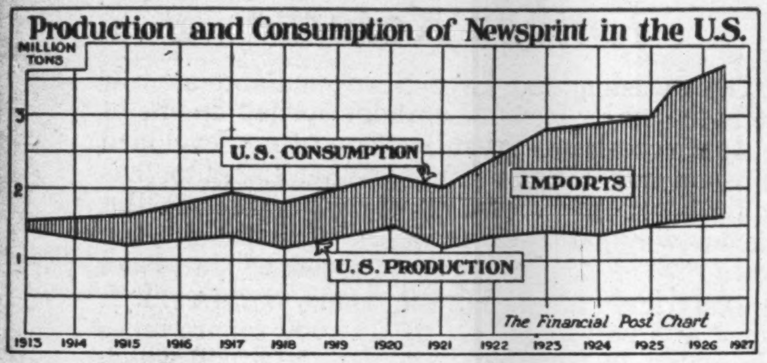
Position of Newsprint Industry is Reviewed for Investors

Over-Production Still Present But Industry is Basically Sound; Ultimate Future Seems Bright

All Factors Indicate a Steadily Increasing Demand for Canadian Production—Broader Markets Will Better Industry's Position — Future Outlook Reviewed

The average investor in newsprint securities is not interested in ancient history. All that he wants to know is the outlook for the future. While the future of the industry is dependent on the progress made by general business in the United States, yet other factors enter into the situation. To forecast both the possibilities and the probabilities of the future, it is necessary to examine closely the past. Perhaps the progress of advertising in the United States, despite the ups and downs of business, gives the best index of what may be anticipated in the future for the Canadian newsprint industry.

The U.S. market is the natural and the chief market for Canadian newsprint. Thus as newspaper advertising grows in the United States, so will the newsprint industry prosper in Canada.

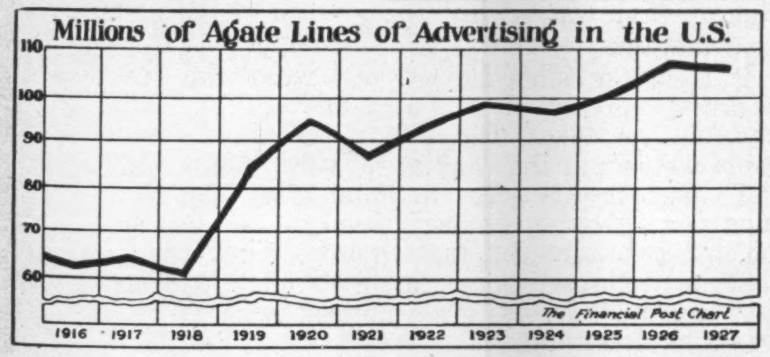


The chief factor which gave an impetus to advertising in the States after 1917 was the rapidly increasing earnings of many companies. It was felt inadvisable to show too large profits because of the large tax burdens at that time. Thus, many companies proceeded to spend their money in any way which might prove profitable in the long run. One of the best ways of accomplishing this was to purchase advertising space.

But Advertising Paid Well

And advertising came up to all that had been claimed for it by its proponents. The purchase of white space proved its value, and, despite the tremendous business reaction in 1921, the amount of advertising in the United States did not decline even to the 1919 total.

The story is better told by the following chart, which shows the actual space used by a large number of leading newspapers and prominent periodicals over the past ten years.



While the chart shows that there has been a decline in the amount of space used in the newspapers and periodicals in the U.S. during the current year, it also indicates that the future trend, to say the least, will not be downward. The minor dip in the line which marked the year 1921 is specially noticeable for the general business reaction which was experienced in that year was greater than the world had ever seen and perhaps was greater than the world will witness again, at any rate during this generation. Thus, any real decline in the consumption of newsprint is hardly to be expected.

Canadian Industry Grows

In 1914, the U.S. newsprint mills had a production just below the consumption of newsprint in that country. Between 1914 and the present year the production of the U.S. mills has shown but a small increase. The reason for this was that many of the mills had reached the end of their forest resources or that those with forest reserves had just sufficient wood to ensure the continuous operation of their plants. Moreover, it was more economical to instal further machines in Canada, where logs could be cut adjacent to the mills and there be driven by water to the plants. The situation resulted in competition between the producers of the United States and Canada. In the former country many of the companies were faced with the alternatives of either purchasing wood from the Dominion and hauling it to U.S. plants by rail, or locating new plants in this country; many adapted the latter policy. The most outstanding example of the trend of the industry northward is evidenced in the great expansion of the International Paper Company over the past few years.

U.S. Consumption Increases

Between 1914 and until 1926 the output of newsprint in the United States only increased by 381,695 tons a year. This compares with an output in that country, last year, of 1,686,695 tons.

Between 1914 and 1927 the consumption of newsprint in the United States went forward by leaps and bounds, as is graphically shown in the following chart

The shaded area in the foregoing chart shows the shortage between consumption and production in the U.S. As the years have gone by the shortage has increased, and moreover, the line representing consumption and production indicates that, not only are the U.S. imports of newsprint increasing, but that over a term of years the shortage in production in the U. S. is expanding more rapidly.

Indicates the Future Trend

Thus the history of the past indicates that in future the trend over a term of years will be for larger annual increases in the demand for Canadian newsprint in the U.S. Naturally, though, in view of the spotty business conditions in the States, coupled with the fact that the capacities of the mills on this continent are about 20 per cent. in excess of the current demand, it may be a year or two before the industry's profits are increased. In any event, the chart gives an indication of what may be anticipated as the years go by.

Moreover, it can be taken for granted that newsprint production costs in Canada are materially below those in the United States. So in future some curtailment of the U. S. output can be anticipated, all of which should have favorable results on the Canadian industry. Incidentally it is noticeable from the figures that the

(Continued on page 21)

DOMINION FILLS ABOUT HALF U.S. PULP CONSUMPTION

But Sweden is Keen Competitor in Markets to South

GROUNDWOOD LARGER

That the United States is Canada's best customer in her woodpulp trade is fairly well known, but that Canada at the same time leads all other parts of the world in supplying the United States is not so well known. A comparison of the United States imports of the different grades of pulp from the various countries clearly indicates the leading part played by Canada.

The United States total imports of mechanical pulp for 1926 amounted to 302,098 tons. Canada leads the field by supplying 279,250 tons, over 90 per cent. of the total. Her nearest competitior was Sweden with 8,998 tons or three per cent.

The United States imported 333,239 tons of bleached sulphite in 1926. Canada supplied 172,584 tons or over 50 per cent. Sweden her nearest competitor supplied 65,661 tons or 22 per cent. It is interesting to note that Canada increased its deliveries by some 18,000 tons over the previous year, while imports from Sweden fell 15,500 tons short of the 1925 figures.

Has Some Competition

In unbleached sulphite Canada and Sweden are close competitors, the Scandinavian country supplying the United States with 274,315 tons or 39 per cent. of her total imports, while Canada with 251,800 tons was a close second with nearly 36 per cent. of her total imports. Canada led Sweden in this field in 1925, shipping in 284,109 tons to Sweden's 215,436, but the Dominion's shipments fell off by 33,000 tons in 1926, while the Swedish producers boosted their deliveries by 59,000 tons.

In the sulphate pulp field Sweden holds a somewhat more commanding lead. The 1926 imports amounted to 394,712 tons, which included 18,499 tons of bleached pulp. Sweden with shipments of 190,995 tons supplied over 48 per cent., Canada with 157,500 tons, 40 per cent. of the U. S. requirements.

Although Sweden maintains the lead in sulphite and sulphate pulp, a comparison of total imports of woodpulp from the different producing countries will immediately disclose the dominant position maintained by Canada in the pulp industry as a whole.

The Import Figures

The following table shows the total U. S. imports of wood pulp and the countries of origin:

From	1926 Tons	% of total
Canada	861,134	49.8%
Finland	102,057	5.9
Germany	92,700	5.3
Norway	91,704	5.2
Sweden	539,159	31.1
All Other	44,544	2.7
	1,731,298	100.0

From these figures it will be seen that Canada supplied practically 50 per cent. of the imports of woodpulp in to the United States last year, the other 50 per cent. being supplied by Europe, with Sweden far in the lead. Imports from Sweden consisted almost entirely of chemical pulp, only 9,000 tons of mechanical pulp coming from that country, while almost one-third of the total imports from Canada were groundwood.

Governments See Need of Safeguarding Industry

The provinces of Quebec and Ontario have both formulated policies which will prevent the entry of pulp and paper projects into a field which shows decided signs of over expansion at the moment.

Quebec has definitely anounced that further timber limits will only be leased to those companies which are already in existence. New operators will not be allowed to come into the field and to endanger an industry which has long been one of the chief foundations of general prosperity in the province.

Ontario has formulated and adopted similar policies leading to the protection of its present mills. The reason for policies such as these of course, lies in the fact that the capacities of the newsprint mills are already in excess of the demand for newsprint, and also that the market for sulphite pulp is weak. Although the sulphite pulp mills are making money on their output, yet it is thought that the present price of sulphite hardly allows sufficient profits to the operators.

Safeguard the Industry

These policies are sometimes regarded as being framed to safeguard only the investors in the companies. True, the investor is safeguarded, but in addition an industry which has brought very material prosperity to Canada is also conserved. As the pulp and paper industry is the largest single industrial efort of the Dominion and produces more wealth than any other industry in Canada, it can be seen that policies of any kind which tend to make for a prosperous pulp and paper industry, make also for the general health and industrial well-being of the Dominion as a whole.

Situation in Newsprint Industry

Rated Capacities of Mills

Canada

	Tons
Abitibi Power and Paper	540
Bathurst	70
Beaver Wood Fibre	70
J. R. Booth	158
Brompton Pulp and Paper	230
Canadian International Paper	1,280
Donnacona Paper	230
E. B. Eddy	160
Ft. Frances Pulp and Paper	165
Fort William Paper	160
Kenora Paper Mills	222
Laurentide	390
Manitoba Paper	200
News Pulp and Paper	35
Ontario Paper	320
Pacific Mills	245
Port Alfred Pulp and Paper	400
Powell River	475
Price Bros.	740
St. Anne Paper	250
St. Lawrence Paper Mills	305
St. Maurice Valley	910
Spanish River Pulp and Paper	715
Wayagamack Pulp and Paper	150
	8,420

Newfoundland

	Tons
Anglo-Newfoundland Development	305
Newfoundland Power & Paper	380
	685

Mexico

	Tons
Fabrico de Paper	50
	735

United States

	Tons
Alexandria Paper Co.	53
Algonquin Paper Co.	95
Cliff Paper Co.	41
Consolidated Water P. & P. Co.	329
Crown-Williamette Paper	434
Cushnoc Paper Co.	162
De Grasse Paper Co.	180
Escanaba Paper Co.	135
Finch, Pruyn & Co.	144
Fyambeau Paper Co.	45
Gilman Paper Co.	54
Gould Paper Co.	100
Grandfather Falls Co.	34
Great Northern Paper Co.	866
Great Western Paper Co.	64
Hawley Pulp & Paper Co.	30
Hennepin Paper Co.	40
High Falls Pulp & Paper	25
Inland Empire Paper Co.	100
International Paper Co.	1,040
Itasca Paper Co.	81
Manistique Pulp & Paper	65
Minnesota & Ontario Paper Co.	262
Northwest Paper Co.	50
Oswegatichie Paper Co.	52
Oswego Falls Corporation	36
Peiapscot Paper Co.	131
St. Croix Paper Co.	183
St. George Paper Co.	31
St. Regis Paper Co.	400
Sherman Paper Co.	55
Tidewater Paper Mills Co.	105
Washington Pulp & Paper Corp.	248
Watab Paper Co.	68
Waterway Paper Products Co.	130
West End Paper Co.	43
Wisconsin River Paper & Pulp Co.	80
	5,992

Recapitulation

	Tons per day
Rated daily capacities of Canadian mills	8,420
Rated daily capacities of Newfoundland and Mexican mills	735
Rated daily capacities of United States mills	5,992
Total daily capacity of North American mills	15,147
Rated capacities of mills	15,147
Production of mills (consumption)	12,361
	2,786

The 2,786 tons of unused mill capacity amounts to 18.4 per cent. of total capacities of the mills and compares with a figure of 18.2 per cent. —the actual unused capacities of the mills in August, 1927.

Forest and Stream Play Part in Manufacturing

From Evergreens Through to Newsprint Rolls Described — How Wood is Cut and How Paper is Made

Many a shareholder in a pulp or paper company has not seen and does not know anything of the various intricate processes which go into the making of pulp, and from the manufacture of pulp into the making of paper itself. For those who have not had the interesting experience of seeing paper in the making, a review of the process from the time the wood is first cut, until it leaves the mill as a roll of newsprint, or high grade paper, may prove of interest, and should help in the delicate art of investment. The better the knowledge of any industry, the better equipped is the investor to pick intelligently the company which is the more likely to increase its profits as time goes on.

Each company has its own timber limits. Usually portions of these limits are owned outright, and the remainder leased. But only the spruce, balsam and hemlock are cut. These make the best paper.

In the winter, camps are established on the limits. The loggers sally forth and fell the trees. Then the branches and useless portions are cut off and the logs neatly piled on the ice of the nearest river or lake to await the spring break up to begin their long journey to the mill.

Stumpage Dues in Quebec

In the province of Quebec, the scalers come round during the winter and measure the wood which has been cut as it lies on the ice; the company pays the government an annual stumpage charge on all wood cut on lands leased from the Crown, and it is on the report of these scalers that the government computes its charges. Incidentally, the scalers report also to the paper companies, and the latter pay the timber contractors according to the amount of wood for which the scalers give them credit. Thus, it is necessary to have scalers with the highest standards of integrity.

In the spring the wood starts, or is started, on its trip to the mills. Sometimes it is a comparatively short journey lasting only one season; at other times the journey may take two or three years, depending on the distance of the limits from the mills. Some mills make a practice of cutting equally over their limits each year so that the low cost wood from adjacent limits is counterbalanced by the higher cost of wood from the more outlying timber limits. In this fashion the annual wood costs are kept constant.

One of the best and most comprehensive descriptions of the manufacture of paper was presented to the Montreal branch of the Engineering Institute of Canada by H. S. Taylor, consulting engineer, who tells the story so well that one can do no better than follow his narrative. Stripped of some of the technical detail it contains, a portion of Mr. Taylor's paper follows:

For the beginning of the operation which produces newspaper, or newsprint as the trade knows it, we must journey to where the evergreen forests hold sway, for, with the processes so far perfected in this grade of product, it is the soft evergreen growth or conifers which pulp the more economically, and supply the color, strength and fineness of fibre called for in the finished sheet, from the standpoint of appearance as well as resistance to strain of printing press and reader.

For the present day manufacture of

(Continued on page 28)

Exports Come from Forests

Dominion's Trade Largely Composed of Forest Products

The total value of production from Canada's forests is about $440,000,000, of this amount the pulp and paper industries are credited with $180,000,000 and the lumbering industry with $125,000,000. According to the Director of Forestry for the Canadian Government Department of the Interior, the capital invested in the forest industry of Canada approximates $666,000,000 of which one third is in lumbering plants and saw-mills and the balance in pulp and paper mills.

Canada produces much less lumber than the United States, but is far in the lead of the latter country in the matter of timber production for pulp and paper. Canada produces from four and a half to five million cords of pulpwood annually. Three fourths of this production is manufactured in Canadian mills into paper and other wood fibre products.

Of her forestry exports, Canada sends 80 per cent. to the United States, in fact one half of Canada's exports to that country are forest products. Forest products were also responsible during the past year for creating a favorable trade balance of some $204,000,000.

CONTROL MOVES TOWARD HANDS OF FEW GROUPS

Newsprint Industry Strengthened by Trend Toward Closer Affiliations

WILL BRING MERGERS

Only Limited Production in Canada Competes Now With Larger Strong Groups

There exists a close association between many of the mills in the Canadian newsprint industry. Such an association of interest, which has been brought about by interlocking directorates and other means, cannot fail but to work towards the best interests of the industry as a whole.

Broadly speaking, the Canadian newsprint industry may be divided into two groups: those companies which are entirely independent, and those which have certain affiliations of one form or another which make for greater unity.

The producing newsprint companies in Canada which may be said to be independent of other interests include Bathurst, J. R. Booth, Brompton, Donnacona, E. B. Eddy, Ontario Paper, Pacific Mills, Powell River and St. Lawrence.

Sell Output En Bloc

The Ontario paper sells its entire output to the parent organization, the Chicago Tribune. Brompton also sells its entire output to large publishing interests in the United States. Broadly speaking, it can be said that the independent mills have, or probably eventually will have, their entire output absorbed by their own one or two customers.

The International Paper, because of the magnitude of its production, may be considered in a class by itself. This company, however, is understood to be in sympathy with the aims and ideals of those companies which sell their output through Canadian Newsprint. Co. The companies which sell through the latter organization have a rated capacity of about half the total newsprint capacity of the Dominion. They include companies in which Sir Herbert Holt is largely interested, and companies such as Abitibi and Spanish River and their various affiliated companies.

Backus Interests Large

Then, there are the Backus-Brooks newsprint organizations, including the Kenora Paper Mills and the Fort Frances Pulp & Paper Co.

While the Wayagamack Pulp & Paper Co. is entirely independent of other organizations, yet is has co-operated with Port Alfred and St. Maurice Valley in the development of the island of Anticosti; from this it can be deduced that the aims and ideals of Wayagamack in the newsprint field are identical with those of these other two companies. The E. B. Eddy Company is understood to be associated with International Paper in some form or other.

Thus, through co-operation of one kind or another, through interlocking directorates and through the general closer association of the industry, the Canadian newsprint mills are in a stronger position than if they were all on an every-man-for-himself basis.

Will be More Mergers

The situation in the newsprint industry as it exists to-day, then, is indicative perhaps of further mergers. The tendency of modern business seems to be more and more towards larger consolidation. Thus, not only does the consumer obtain the benefit of better prices through increased economics, but the position of the investor is materially strengthened also, for no longer do his securities represent an earning power which may be materially weakened through the occurrence of some unfavorable battle in the trade. In other words, the fewer controlling heads there are in any one industry, the less likelihood there is of over-expansion, which,

(Continued on page 29)

$100,000 Capital is Required for Each Ton Produced

The financial requirements for an ordinary self-contained newsprint mill are much greater than are generally realized. To erect a mill with a capacity of 100 tons daily means a $5,000,000 investment, of $50,000 of capital for every ton of daily production. Some plants have cost a great deal more than this and other plants have cost a great deal less. This figure, however, does not include the cost of timber reserves.

The ownership of sufficient forests to supply such a 100 ton plant with 40 to 45 thousand cords of wood yearly might require an additional $5,000,000, making in all a $10,000,000 investment. Thus capital requirements for every ton of daily capacity might mount up to $100,000.

Newfoundland

with Labrador represents one of the Greatest Pulp and Paper Sources in the world

Era of Pulp and Paper Expansion at Hand

The steady depletion of the world reserves of pulpwood coupled with the steadily growing demand for paper gives an added significance to the fact that Newfoundland with Labrador has a virtually inexhaustible supply of timber suitable for paper making.

These resources are in close association with great hydro-electric sites which makes for economic operation. But more important still is Newfoundland's geographic location in relation to the great paper consuming markets of the Old Country, Canada and the United States.

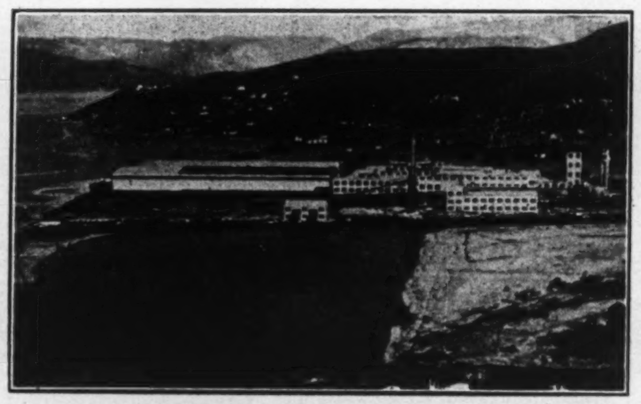
These conditions give a sound economic background for a great and steadily growing industry, and assures a vastly increased production in the near future.

Already Newfoundland has two of the largest pulp and paper mills in the world. The Anglo Newfoundland Development Company, the pioneer pulp and paper industry in the Dominion, operates at Grand Falls one of the world's greatest mills and controls a forest area of 4,000 square miles, with an annual cut of 120,000 cords of pulpwood. At Bishop's Falls there is a mill owned by Albert E. Reid and Company that controls 820 square miles of forest areas.

The development of the great plant at Corner Brook to tap the resources of the Humber Valley adds another to the great pulp and paper industries. This plant, built by the Newfoundland Pulp and Paper Company, assisted by Government guarantees, was sold this year to the International Paper Company on terms that assure a marked development in the industry. By the terms of this agreement, in return for certain concessions offered by the Government, the company agrees to spend $20,000,000 in development work, part of which will be the stepping up of the Corner Brook plant from a capacity of 400 tons daily to 600 tons. This increase is to be effected by 1933. This very substantial increase in a plant already extensive in character will bring the annual outturn of pulp and paper to materially higher figures.

The Gander River Project

The development of the forest resources of the Gander River Valley is another important factor that has been assured by the sale to the International Paper Company. The sale of this property has been made by the Reid Newfoundland Company, who owned the forest rights in the section, considered by many to be the most valuable in the Island. The International Paper Company will build a mill there to be completed by 1933. This mill will have a capacity of 200 tons a day, which will itself mean a large increase in production. To facilitate this development the Government is to extend the railway to the Gander Valley. Certain agreements have been made with the International Paper Company to permit export of pulp timber, but this is to be drawn from the far northern sections of the country where manufacture would be uneconomic. At the same time this export is to be rigidly limited to one-half cord for each ton of paper manufactured on the Island.



The great plant at Corner Brook—one of the most extensive in the world—Now owned by the International Paper Co.

Manufactured Paper Production

	Tons	Value
1919-1920	80,717	$4,725,660
1920-1921	63,311	4,646,582
1921-1922	34,512	3,088,260
1922-1923	56,386	5,052,141
1923-1924	60,537	5,423,892
1924-1925	70,350	6,272,886

Power Resources Facilitate Economic Development

One of the largest factors in the development of this great industry, second indeed only to the natural resource in forests, has been the availability of cheap power. The formation of the Island, and its many streams all with their fall of water, coupled with the great lakes of the interior that act as storage basins, all make for a valuable asset in hydro-electric power. On virtually every river and stream on the Island there are power sites of greater or less importance. This wide distribution of important power resources has made possible the development of the past, and will undoubtedly be a factor in still further pulp and paper development.

Pulp and Sulphide Production

	Tons	Value
1919-1920	19,864	$334,276
1920-1921	26,838	246,009
1921-1922	19,932	364,514
1922-1923	21,000	364,289
1923-1924	31,674	531,833
1924-1925	12,711	215,896

Labrador, the Last Great Timber Reserve

The decision that gave Newfoundland a clear title to the major part of Labrador opened up one of the few remaining great sources of undeveloped pulpwood in extensive stands. What Labrador has to offer is yet only known in very general terms. But it is known that back from the immediate coast line the whole country is thickly wooded, in places with very fine timber. On the whole, however, it is known as a pulpwood. Of the 110,000 square miles represented in Newfoundland Labrador, of which roughly 60,000 square miles are within the region of forest growth, authorities who have visited the section have estimated that possibly for commercial purposes this total might be cut in half.

This, however, still leaves 30,000 square miles of timbered land admirably suited to pulp and paper manufacture. While some of this area may be difficult of access, the larger part of it lies in or about great arms of the sea, notably about Hamilton Inlet and Lake Melville. There are numerous water power sites to facilitate manufacture, Grand Falls, on the Hamilton River, being one of the greatest power sites in the world.

The quality of wood offering is the best for pulp manufacture, being mainly spruce with perhaps one-tenth of the stand fir or birch. By far the greatest quantity is of black spruce that has proven its admirable suitability for paper making.

In point of accessibility, Labrador is more favorably situated than many pulp and paper centres, being on deep water within easy reach of the great world markets.

It is not possible to say just when the great resources represented in Labrador will be called upon, but the steady depletion of the world's wood supply would put that day at no very distant date.

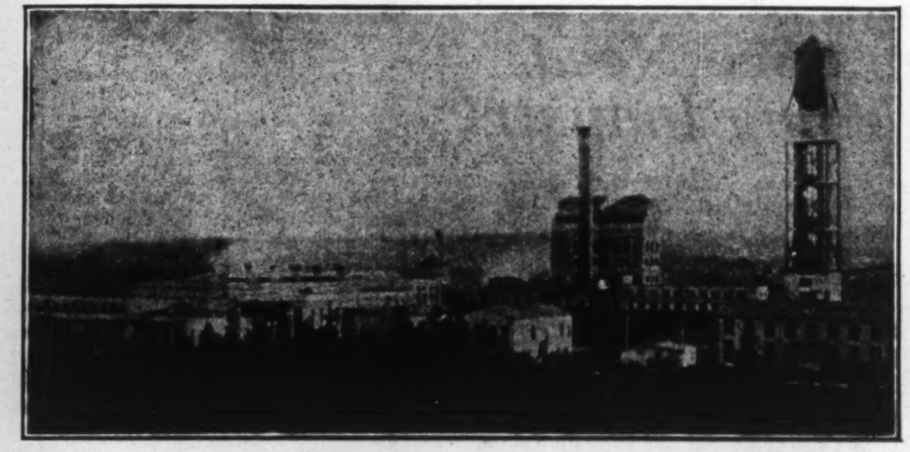
To protect this great national asset, the Newfoundland Government has passed, at the last session, the Labrador Bill that rigorously governs the granting of forest limits. In this way the Government is protecting this great natural resource from unwise exploitation.

Undoubtedly Labrador will be one of the large factors in adding to Newfoundland's place as a great pulp and paper centre.

Crown Lands

All land that is not privately owned in Newfoundland is held by the Crown — that is, the Government — and is open for purchase. Applications for purchase of these lands should be made to the Crown Lands Office of the Department of Agriculture and Mines at St. John's.

Government Offices
St. John's, Newfoundland



The great plant of the Anglo-Newfoundland Development Company at Grand Falls.

The Government of Newfoundland

WALTER MUNROE, Premier and Minister of Education.
WILLIAM HIGGINS, Minister of Justice.
JOHN BENNETT, Colonial Secretary.
SIR JOHN CROSBIE, Minister of Finance.
WILLIAM WOODFORD, Postmaster-General.
ALFRED MORINE, Leader of the Upper House.
MICHAEL SULLIVAN, RICHARD CRAMM, GORDON BRADLEY and **JOSEPH LONG,** Ministers Without Portfolio.

MINISTERS OUTSIDE THE CABINET
WILLIAM WALSH, Agriculture.
WILLIAM WINDSOR, Fisheries.
CHARLES RUSSELL, Public Works.

For Further Information, apply
HON. W. J. WALSH
Minister of Agriculture and Mines

EASTERN CANADA MAY NOT HAVE LARGE FIRE LOSS

Conditions This Year Favorable — Loss in 1926 Nearly $7,500,000

Present conditions indicate that in the matter of forest fires. Eastern Canada will enjoy the same favorable conditions in 1927 as in 1926. Heavy and prolonged rains during the spring, and the alertness of fire rangers during the summer months have been contributing factors which have reduced fire losses to a minimum.

There yet remains the dangerous fall months to be faced when, if the season be dry, the presence of hundreds of hunters in the forests will materially increase the hazard.

Conditions in Eastern and Western Canada during 1926 were in marked contrast. Little rain fell in the West, and Manitoba, Saskatchewan, and Alberta experienced the worst season in recent years, while similar conditions were experienced in British Columbia.

According to figures prepared by the forest service of the department of the interior, there were 5,529 forest fires in Canada last year, and a total area of 1,824,015 acres burned over. The total loss suffered was estimated at $7,468,343.

British Columbia was the heaviest sufferer of all. In this province over 2,600 fires were reported. The area burnt over exceeded 198,900 acres and the loss suffered was in excess of $2,900,000.

Saskatchewan experienced its most destructive season since 1919. Some 550.000 acres were fire swept, thirteen million feet of saw-timber and over two million cords of pulpwood were destroyed. entailing a loss in excess of $1,000,000.

Increase in Manitoba

In Manitoba 463 fires were reported for the season, 303 more than the previous year. About 8,100 acres of merchantable timber and 13,500 acres of young growth were destroyed. The Royal Canadian Air Force co-operated in aerial detection and supression, most successfully.

In Alberta 207,000 acres were burnt over by 116 fires. The total loss was estimated at $752,000.

In Quebec and Ontario, the fire losses were the lowest on record. The dreaded spring fire season passed without serious loss and the provincial and other fire protective agencies in these two provinces were able to deal successfully with the dangerous midsummer period. Ontario reported the total number of fires in 1926 as 1,110 and the total area fire-swept as 88,374 acres. Although the number of fires was only slightly below that of 1925 the area burned over was less than half of the previous year's figure of 187,496 acres. Of the 1926 area 12,734 acres carried mature timber, but perhaps the greatest loss was the 28,886 acres of valuable young growth. The remaining area comprised 22,244 acres of cut-over land and 24,510 acres of non-forested land.

Results in Maritimes

New Brunswick reported 65 fires which burnt over an area of 12,347 acres. Some 6,426,000 board feet of timber were destroyed at an estimated loss of $25,700.

Nova Scotia escaped lightly, although 177 fires were reported, the acreage burnt over was only 442, and the loss approximately $2,500.

As a tribute to the excellent work of the fire preventive organizations of the different provinces it is interesting to note that in Alberta 42 per cent. of the fires discovered were detected and extinguished in the incipient stage and 32 per cent. suppressed before they covered ten acres. In British Columbia, 65 per cent. of the fires detected on the Dominion lands in the railway belt were put out before they exceeded ten acres in size.

The following table gives figures for the year in detail, and a comparison with the averages for the five year period 1922-26:

	1926	Average 5 years 1922-1926
Total number of fires..	5,529	6,203
Total area burned (acres)	1,824,015	3,024,207
Area burned (acres) ...	574,716	742,772
Timber burned M.B.F.	2,347,614	4,105,690
Estimated stumpage value	$4,208,456	$9,743,070
Young growth		
Area burned (acres).	624,801	891,254
Estimated value	$1,244,266	$2,834,517
Cut-over		
Area burned (acres)	239,334	500,944
Estimated value ..	$ 181,000	$ 533,730
Non-forested		
Area burned (acres)..	477,159	961,967
Other property burned (value)	$967,335	$1,013,447
Actual cost of fire-fighting	$866,286	$ 782,131
Total gross damage and loss	$7,468,343	x$14,214,646

xThis high average is due to the exceptional losses in 1923, when the total losses were over $40,000,000. The average for the last three years was $6,531,077.

A.P.W. Pulp

A. P. W. Pulp and Paper company, of Sheet Harbor, N.S., has been in operation a little over two years and produces approximately 25,000 tons of groundwood pulp annually. The company owns large timber limits and has excellent water power resources. Its output is sold in New York. The pulp is all shipped by water from the dock. The company is a subsidiary of the A. P. W. Paper Company, of the United States. the plant has a capacity of 80 tons daily.

Capitalization—

	Authorized	Outstanding
Stock	$1,500,000	$900,400

All owned by the A. P. W. Paper Co.

Funded Debt—

First mortgage 7 per cent. bonds, series "A," due 1945, $800,000.

Officers and Directors—

Seth Wheeler, Jr., pres.; F. A. Gayford, vice-pres. and sec.; W. A. Wheeler, treas.; V. D. Bierman, E. H. Burton.

Production—Daily capacity, groundwood pulp 50 tons.

Anglo-Canadian

Erected by British and Canadian Interests — Enters Production Soon

The investment interest in the Anglo-Canadian Pulp & Paper Mills is not large in Canada, for most of the securities were sold in England. But some of the capital requirements came from this country. The company is at present engaged in erecting a mill, located on tide-water, at Quebec, P.Q., The total estimated cost of the construction is approximately $11,500,000, and it is expected that two paper machines will be producing by the end of 1927 and the remaining two a year later. The ultimate annual capacity of the plant will be 130,000 tons of paper. The company's timber limits are on the Manicouagan River and cover an area of some 2,237 square miles; these are leased from the Province of Quebec. The quantity of pulpwood on this area has been estimated at 8,000,000 cords. The company has contracted with the Shawinigan Water & Power Co. for a supply of power for 25 years, starting in 1927.

Holds Contract Now

The company holds a contract with some of Lord Rothermere's papers, whereby the British newspaper companies have an option of purchasing annually 41,600 tons of paper at $15 per ton over the cost price to the company.

R. A. McInnes, who formerly was manager of the Abitibi Power and Paper Company's mill is general manager of the new company.

A portion of the company's timber requirements will probably be supplied by the Gulf Pulp Co.

While a substantial portion of the company's output is to be purchased by Lord Rothermere, who has a substantial interest in the undertaking, yet when the mill enters production, some of its output will be sold on this continent, thus, to some extent, it will be in competition with the other Canadian newsprint mills.

Capitalization—

	Authorized	Outstanding
Common shares ... (No par value)	135,000	135,000
Pref. 7%	$8,000,000	$7,000,000

Funded Debt—

Guaranteed mortgage debentures 6½ per cent., due 1956, £1,800,000.

Officers and Directors—

Lord Rothermere, president; F. W. Clarke, vice-president; C. R. Bridge, sec.-treas.; Sir H. Holt, Senator S. White, R. C. McMichael, J. Cowley, E. A. Sursham, Hon. E. Harmsworth, F. J. Humphrey, Sir C. Fitzpatrick.

Dividend Record—

Preferred, 7 per cent., cumulative from Oct. 1, 1929, payable April and October 1.

Donnacona Paper

Good Market Exists for Bonds to Which Investment Interest is Confined

The shares of the Donnacona Paper Company are largely held by insiders. It is understood that the stock is mostly held in New York state and that the company has large contracts with the William Randolph Hearst Publications. There is the possibility that Donnacona might erect another paper mill at Port Rouge, P.Q., where it already possesses some water power developments and a small pulp mill. The company holds water powers which have an ultimate capacity of 24,000 h.p. Its plant is situated at the junction of the Jacques Cartier and St. Lawrence Rivers and the company controls most of the timber situated on the watershed of the former. Because of the favorable location of its wood supply, the timber reaches the mill at a minimum of cost. The mill is rated as a very efficient producer.

Two subsidiaries are operated: the Valcartier Lumber Company and the Baie St. Paul Lumber Company. These have extensive timber limits further down the St. Lawrence.

The Canadian investment interest in the company centres on its issue of bonds, which is well secured to both by assets and by earnings.

The output of the mills is 250 tons of newsprint daily.

Practically the entire Canadian investment interest in the company is confined to its issue of bonds, for which there exists a strong and steady market.

Capitalization—

	Authorized	Outstanding
Common .... (Par $20.)	$1,500,000	$1,500,000
Preferred 7% ...... (Par $100.)	2,000,000	1,635,000

Of the pref. stock, $364,500 has been redeemed on a sinking fund.

Funded Debt—

First gold 6% bonds, due June, 1940, $2,814,500.

Dividend Record—

Dividends on preferred paid regularly from Apr., 1913, to Apr., 1914, none thereafter until June, 1917, when 1¾% was paid; Oct., 1917, to Oct., 1919, 1¾% quarterly; Dec., 1919, to Sept., 1920, 1¾% monthly, with the exception of June, 1920, when no payment was made; Oct. and Nov., 1920, 3½% each; Jan., 1921, 5¼%; Feb., March., June and Sept., 1921, and Jan., 1922, 1¾% each, and 1¾% quarterly thereafter. On common, Mar., 1921, 5%; June, 1921, 4%; Oct., 1921, 5%: Feb., 1922, May, Aug. and Nov., 1923, 2 % each; Feb., 1924, 6%; May, Aug., and Nov., 1924, 2% each; Feb., 1925, 6%; May, Aug. and Nov., 1925, 2% each; Feb., 1926, 6%; May, Aug. and Nov., 1926, 2% each.

Officers and Directors—

H. P. Gould, pres.; R. P. Kernan, vice-pres.; F. K. Kernan, vice-pres.; C. B. Rogers, sec. and treas.; L W. Michael, asst.-treas.; C. W. Pratt, H. S. Lewis, T. Spratt.

Income and Surplus Account—

(Years ending December 31)

	1926	1925	1924
Gross sales ...	$4,428,106	$4,623,575	$4,147,453
Cost of sales .	4,020.014	3,795,017	3,612,565
Net profit on sales	408,092	828,558	534,888
Other income .	24,840	27,962	58,650
Total	$432,932	$856,520	$593,538
Less:			
Deductions .	17,781	164,054	129,622
Net profits ..	$415,151	$692,466	$463,916
Dividends paid:			
Preferred	7	7	7
Common	12	12	12

Canadian Newsprint

Consolidation of Sales Effort by Several Companies Now Handling 50% of Output

While there is no investment interest in the Canadian Newsprint Company, investors in pulp and paper securities have an undoubted interest in the company for it sells about half the output of the Canadian newsprint mills.

The company has a capitalization of $5,000,000 preferred and 10,000 common shares of no par value. It came into being this year as an amalgamation of the E. H. Mead Company, the Canadian Export Company and the St. Maurice Sales Company. These predecessor companies were purely sales organizations handling the sales of newsprint for various mills. To-day, the Canadian Newsprint Company sells the entire output of the following mills:

	Daily Capacity in Tons
Laurentide	390
Price Brothers	740
Port Alfred	400
St. Maurice Valley	910
Ste. Anne Paper	250
Fort William	160
Abitibi	540
Manitoba	200
Anglo-Canadian	250

The combination of the leading Canadian mills into one selling group eliminates the cost of overhead and allows for the energetic broadening of the market for Canadian newsprint. Naturally, as Canadian newsprint dominates practically exclusively the United States market, much further sales expansion can only be attained by cultivating overseas business.

The directors of the company are, Geo. Chahoon, Jr.; Sir Herbert Holt, George H. Mead, Alexander Smith, John H. Price, J. H. Gundy, T. H. Montgomery, F. W. Clarke, W. N. Hurlbut.

The total capacities of the mills for which the Canadian Newsprint Company sells the output amount to 3,840 tons daily. As yet, of course, the Anglo-Canadian Mills have not entered production. This new company's mills begin producing at the end of this year. All the other mills are producing.

This daily tonnage handled by the company compares with a daily rated capacity of all the Canadian mills at the present time of 8,400 tons. This last figure includes a 600 ton production from the new Chelsea mill of the International Paper Company, which has just been completed. Naturally this mill on completion could not produce anything like its rated output. Thus it is safe to say that since its inception, the Canadian Newsprint Company has been handling about 50 per cent. of the total output of the mills.

H. S. TAYLOR
CONSULTING ENGINEER

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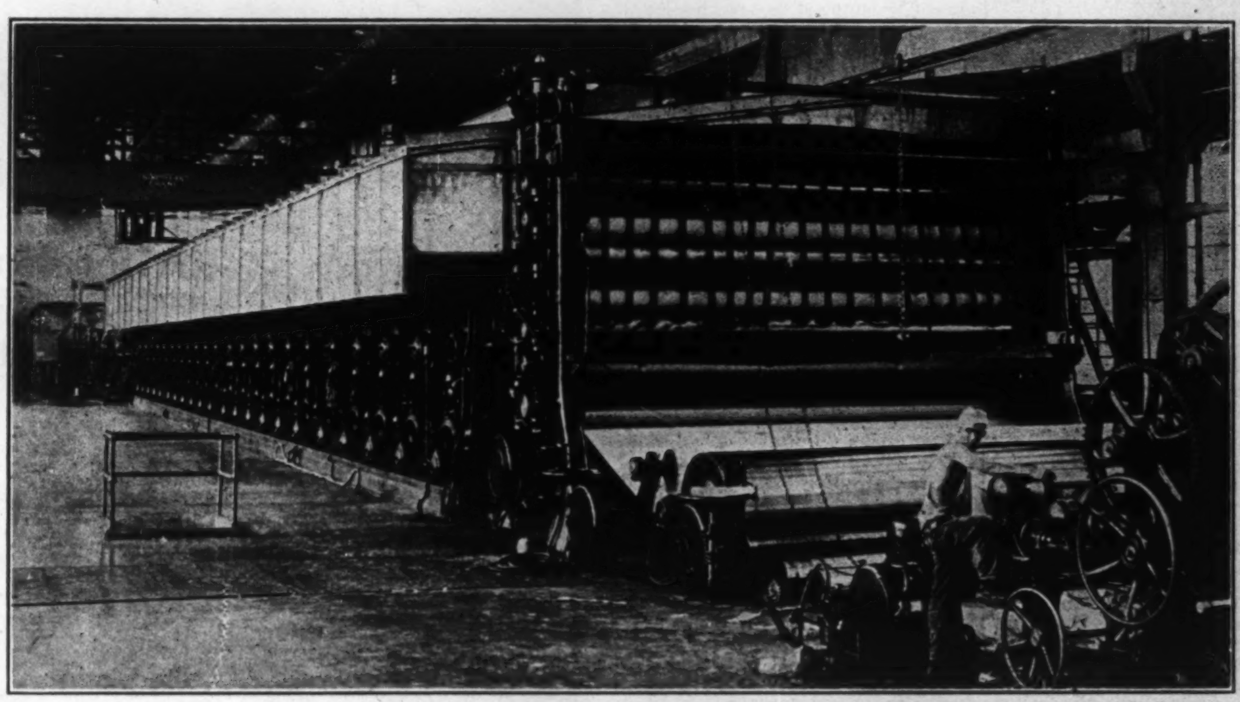

110 Ton Newsprint Machine at Bromptonville

BROMPTON

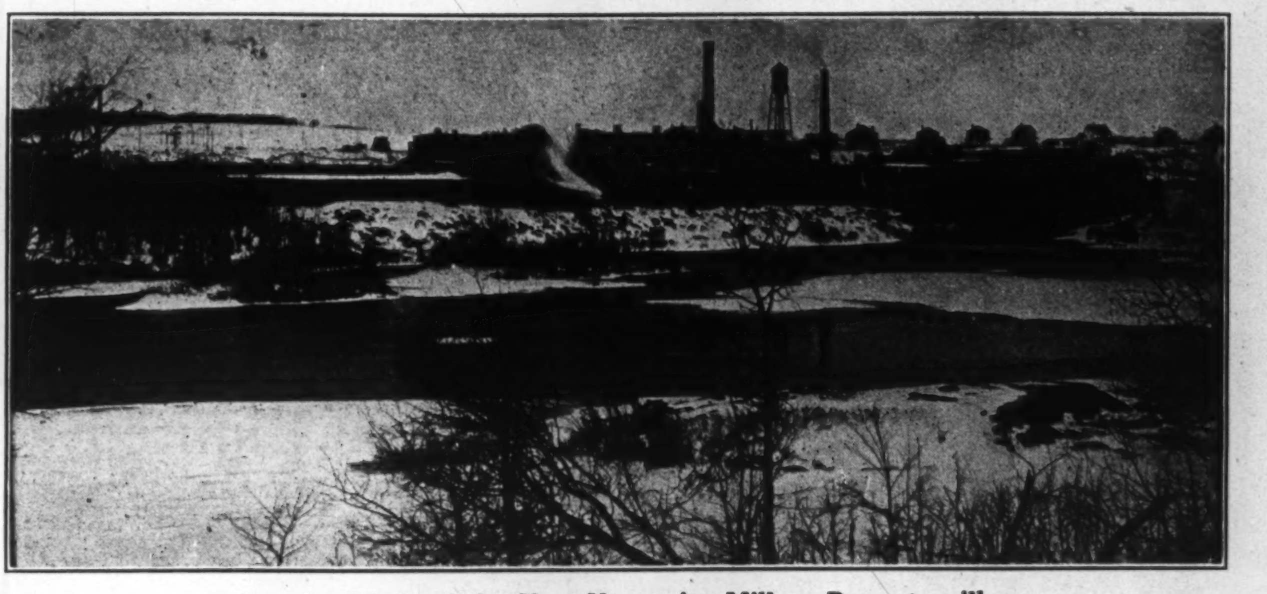
Newsprint Paper : Kraft Paper : Fibre Paper
Container Boards : Pulp Boards
Groundwood Pulp

"Brompton Products are made
to sustain a reputation"

Mills and Executive Offices:
East Angus, Que.

Sales Department:
Drummond Bldg., Montreal

PULP & PAPER


Exterior View of the New Newsprint Mill at Bromptonville

International Paper

Gigantic Expansion Program Still Continued—Potentialities Behind Common Shares Admittedly Enormous —Power Subsidiaries Valuable Properties

The activities of the International Paper Company are on such a scale that it is almost impossible to give the investors any clear idea of the assets behind the company. Coupled with this also, the company's expansion program over the past few years has been carried out so rapidly that any detailed account of the operations of the company and its various ramifications would fill a volume.

However, the following condensed table of the physical activities of the company may perhaps give the investor some idea of the magnitude and scale of its operations:

Pulp and Paper Mills

Groundwood pulp	3
Sulphate pulp	3
Bleached sulphite pulp	2
Paper	1
Sulphate pulp and kraft paper	2
Kraft paper	2
Soda pulp and paper	1
Sulphite pulp and paper	6
Groundwood pulp and paper	5
Total mills: (13 paper mills produce newsprint)	25

Production in 1926

	Tons
Newsprint	506,172
Bag and wrapping paper	33,936
Specialty papers	60,422
Book and writing paper	62,554
Pulp for outside sale	132,154
Total 1926 production	795,626
Estimated 1927 output	1,000,000

Other Activities

Owns the Minto coal mine in New Brunswick.

Owns and operates two power sites in the United States. In Canada, five power sites are either operated or under construction.

Company owns one-third of the common shares of the New England Power Association.

Owns just over 50 per cent. of the Continental Paper and Bag mills stock.

Owns one-seventh of the stock of the St. Maurice Power Co.

In addition, some of the United States mills produce surplus power which is sold.

The Power Production

The company or its wholly-owned subsidiaries produce, or have under construction, power plants which will produce over 700,000 h.p. Of this figure, 100,000 h.p. is hydraulic and the remainder is hydro electric power. Most of this is developed, or being developed, in Canada.

With the acquisition of the Newfoundland Power & Paper Co., the International Paper will add a further 400 tons daily to the rated capacity of its newsprint plants and a further 100,000 h.p. to its hydro-electric power output.

Shares Now Held in Canada

The company is purchasing the Newfoundland Power & Paper Co. The particulars of the acquisition and a review of the operations of this new subsidiary are contained elsewhere in this issue.

The investment interest in the company in Canada has grown amazingly within the past few years. There is now a large number of shares, both preferred and common, of the company held in the Dominion.

The company first entered Canada with the completion of its mill at Three Rivers in 1922. This plant now has a production of 700 tons of newsprint daily and is the largest newsprint plant in the world. Then, the Riordan properties were picked up at a cost of $27,000,000, of which less than $8,000,000 was paid in cash. The Riordan properties had a book value in excess of $46,000,000. Expansion in Canada has steadily continued and the latest addition to Canadian assets is the Chelsea mill, which is to produce daily 600 tons of newsprint. A further mill is to be erected in New Brunswick, to use power from the company's wholly-owned subsidiary, the Saint John River Power Company, presently engaged in erecting an 80,000 horsepower development. The third Canadian wholly owned mill of the company is located at Kipawa, where daily 250 tons of high grade sulphite pulp is produced.

Finishing Gatineau Plants

Two of the three developments of the Gatineau Power Company, another wholly-owned subsidiary, are practically completed, and are developing power. A market for the sale of the large amount of power to be developed by this company is practically waiting the completion of the plants. A portion also of the power being developed in New Brunswick has been sold to the Fraser Companies.

The company is converting its United States mills, which are not as advantageously located to produce newsprint as the Canadian mills, over into other lines of production.

Owns Largest Producer

Incidentally, it is interesting to observe that the International Paper Co., through the Gatineau Power Co., now operates the largest privately owned power producing company in the Dominion. The parent company's equity in this power producer is worth many millions of dollars.

While the expansion of the company in the past few years is unprecedented in its magnitude, it is to be admitted that the expansion has been along sound, economic lines.

The most recent expansion in the United States consisted in the formation of a new wholly-owned subsidiary, the Southern International Paper Co. This new organization operates three kraft mills in Louisiana and Arkansas. The economic trend of the kraft industry in the United States is towards the south, where wood suitable for the manufacture of kraft is obtainable at less cost than in the north. The trend of the newsprint industry in the states is northward, thus International in its expansion is following sound economic lines.

The larger proportion of the company's United States timber holdings are located in the state of Maine; its other timber limits, aside from those in the South, are located in New York, Vermont and New Hampshire. International's United States mills are scattered over the north-eastern states and in the northern sections of New York state.

While the International Paper's United States activities are large, it will perhaps come as a surprise to many investors to learn that its last balance sheet shows that well over half of its total investment in plant and timber reserves is located in Canada. In its expansion in the Dominion the management has very wisely seen to it that a not insubstantial percentage of its securities are held in this country also. The investment interest in the company in Canada is steadily and surely increasing.

The position of International Paper Company with regard to pulpwood resources is particularly strong. The company and wholly-owned subsidiaries own and control timber limits which are estimated to contain pulpwood at the present time sufficient to feed the mills for 35 years. This does not take into account any allowance for regrowth or for the pulpwood rights which the company is acquiring in Newfoundland.

To sum up the position of the company it may be said that the present hesitancy in the newsprint market coupled with the gigantic expansion programme which has been underway

(Continued on page 29)

Industrial Spray Painting

One of the Largest Departments of its Kind in the Dominion which has successfully carried out most important contracts in recent years

Woodwork of All Descriptions

We Manufacture and Install
Interior Trim, Office Partitions
Fine Wood Panelling

Alterations and Repairs a Specialty

Estimates Submitted on Request

Henry Morgan & Co. Limited
Factories—Beaver Hall Hill, Montreal

THE aerial photograph shows the St. Lawrence Paper Mills situated on the St. Lawrence at Three Rivers, P. Q. The mills have a capacity of 325 tons of newsprint daily. The plant is self contained and manufactures all the groundwood and sulphite pulp requirements of the newsprint mill.

The picture reveals that at its inception the plant was designed to permit the growth which culminated at the beginning of 1927 in the present scale of operations.

St. Lawrence Paper Mills
Limited

Sales Subsidiary:
St. Lawrence Sales Co. Limited
Montreal, Three Rivers and New York

Head Office:
Canada Cement Building
Montreal

Over-Production Still Present, But Industry is Basically Sound; Ultimate Future Seems Bright

(Continued from page 17)

U. S. production of newsprint during the dull summer months of this year declined more than that of the Canadian mills. This indicates that the U. S. Mills found it more profitable to turn over their machines to other types of paper and allow the newsprint business to go to Canada.

Can Change Their Output

In the U. S. there are many small mills which, when the newsprint situation is favorable, can produce newsprint, and when satisfactory markets are not available can turn their machines over to other production. In Canada, though, newsprint mills are designed to produce newsprint solely. This situation is another reason why a decrease in the U. S. production may be anticipated.

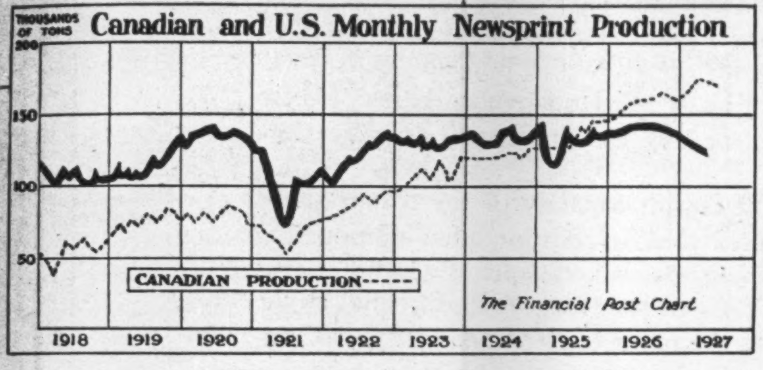
The last chart showed the shortage that exists between U. S. newsprint consumption and U. S. production. The next chart shows how this shortage has been met. Some of the shortage has come from European manufacturers, but most of it has been met by imports from this country. Because Canada can manufacture newsprint as cheaply as any other country in the world, and because the U. S. market is adjacent to the Canadian mills, it can be taken for granted that to all intents and purposes Canadian mills will supply the demand of the U. S. daily newspapers.

Is Mostly All Canadian

In 1903 the United States imported 147,479 tons of newsprint. In the previous ten years, the annual imports only totalled 1,348,638 tons. In 1926, though, the U. S. imported from Canada 1,658,240 tons of newsprint. A small proportion of the total U. S. imports of newsprint will always come from other than Canadian sources. But it a small proportion, and a proportion which has not varied over the past fourteen years. On the chart which follows, the lower white space represents imports from Canada, whilst the thick black line and shaded portion shows the imports from other countries.

in part by Lord Rothermere is now completing its plant in Quebec. It will send part of its output to the Rothermere press in England. Exports to Australia and the East have also increased, and while these foreign markets are in no way comparable to the gigantic U. S. market, yet they play their part in maintaining the prosperity of the Canadian newsprint industry.

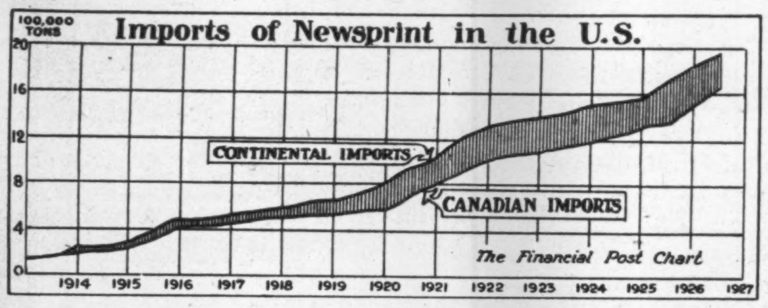
The Dominion to-dav is the largest producer of newsprint in the world. Two years ago, Canada and the United States were running neck and neck in newsprint production. To-day, however, the United States has been far outdistanced. The next chart shows the long climb to a position in which the Dominion first threatened, then equalled, and has now completely surpassed the original dominance of the U. S. mills in this field. The monthly production in each country is indicated in the two lines in this chart. The dotted line is the Canadian, whilst the black line is the U. S. production:



Perhaps one of the chief features of the foregoing chart is the slump in newsprint production during the 1921 deflation year. Monthly production in that year in Canada dropped down to the 1918 figure; but the chart shows clearly that the U. S. manufacturers showed an even larger and more than proportional drop. With the dull times that the industry is now experiencing, it can be anticipated that U. S. production will, therefore, decline, while that of the Canadian mills will probably be maintained and perhaps increased.

The annual increase in the consumption of newsprint on this continent over a period of twenty years has averaged between 6 and 7 per cent. In 1926 it increased 14 per cent. Consequently it is but natural that the increase to date this year is only fractional.

But with an annual increase in the consumption of newsprint extending over twenty years, there is apparently every reason to forecast continued increases in the consumption in the future.



Past experience shows, then, that there has been an ever widening market for Canadian newsprint across the southern borders of the Dominion. It is to be noted, too, that business recessions or business upheavals, good business or bad business, war years or post-war years, the imports from Canada have steadily mounted. It hardly seems reasonable to presume that this market will not continue to widen due to the various factors which have already been enumerated.

Foreign Markets Widen

Moreover, foreign markets for Canadian newsprint are also widening, and it is significant that a mill owned

In 1860 the U. S. consumption of newsprint per capita per annum amounted to 4 lbs. In 1900 this figure had increased to 16 lbs., and by 1924 it had reached 50 lbs.

Between 1913 and 1925 newsprint consumption in the United States increased by 95 per cent., and from 1920 to 1925 the consumption increased by 33 per cent. This growth appears to be normal. In the first place, there is a natural increase in the population of over 2,000,000 annually. Secondly, newspaper circulation is very far from

(Continued on page 24)

Minn. & Ontario Paper

Backus-Brooks Enterprise is One of Largest Newsprint Producers and is Concerned with Other Industries

Minnesota & Ontario Paper Co., one of the largest producers of newsprint in the world, is an enterprise promoted by E. W. Backus and his associated Brooks interests. The company is controlled by the Backus-Brooks Co.

Minnesota & Ontario Paper Co. and its subsidiaries operate power, paper and pulp, sawmills and other industrial enterprises at Fort Frances and Kenora, Ont., and at International Falls, on the Minnesota side of the international boundary. The head office of the company is at Minneapolis, Minn.

The company's property includes groundwood, sulphite and paper mills; hydro-electric and hydraulic power-generating plants; a sulphate (kraft) pulp mill; insulite (insulating material) mill; saw and planing mill plants; box, crating and shook factories; 50,000 square miles of timber limits; certain water power rights in perpetuity on the Rainy River, on which about 90,000 h.p. has already been generated.

The annual capacity of the company's mills is about 250,000 tons of newsprint; 34,000 kraft board; 150,000,000 ft. insulite; 150,000,000 ft. of lumber, box shook and crating.

Canadian interest in the company centres chiefly around the first mortgage bond issue, parts of which were subscribed in Canada.

Subsidiaries are, Minnesota & Ontario Power Co.; Ontario & Minnesota Power Co., and Rainy River Improvement Co.

Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$9,392,000
Pref. 6%	5,000,000	3,756,000
(Shares, $100 each)		

Funded Debt—

First mortgage, 6 per cent. bonds, series "A", due 1930 to 1945, $16,000,000. First mortgage 6 per cent., series "B", due 1948, $4,000,000. First mortgage 6 per cent., series "C", due 1950, $5,000,000. Gold notes due 1931, 6%, $3,500,000. Gold notes, National Pole & Treating Co., 5 per cent., due 1931, $2,000,000.

Dividend Record—

No dividends were paid from Apr., 1918, until Dec., 1923, when dividends on preferred were resumed.

Officers and Directors—

E. W. Backus, pres.; S. W. Backus, W. F. Brooks, H. S. Gilkey, Geo. McLean, C. C. Honey, D. McLeod; R. D. Main, comptroller.

Profit and Loss—

Consolidated net earnings after depletion, local taxes and charges for maintenance, repairs, but before providing for interest, depreciation and income taxes are as follows:

12 months, end. Dec. 31, 1926	$4,730,444
13 months, end. Dec. 31, 1925	3,800,225
11 months, end. Nov. 30, 1924	2,296,213
12 months, end. Dec. 31, 1923	3,624,574
Annual average, 4 years	3,612,863

Howard Smith Paper

Better Business Throughout Dominion Has Increased Demand for Company's Production—Sales Increase —Largest Producer of Fine Paper in Dominion

The earnings of the Howard Smith Paper Mills depend almost solely on the domestic demand for higher grade and book paper. The company's output consists of practically every kind and grade of paper with the exception of newsprint; something over ten per cent. of its production is exported to foreign countries, chiefly Mexico, Australia, New Zealand, India, Japan, China and the British West Indies.

But the actual profits obtained on the exported paper are not large; however, by holding these markets the company can cut down its overhead through increased production.

Moreover, the export trade is growing, and recent government figures showing the exports of high grade and book paper show large increases. Probably, Howard Smith has participated in these increased sales.

Owing to the high tariff, the U.S. market is unfortunately closed to Howard Smith paper, but owing to low production costs, the company should be able to increase its export sales as time goes on.

Demand Is Growing

The generally improved business conditions in this country during the past year have increased the demand for paper and the earnings of the company to date this year, show a betterment as compared with those of 1926.

One other factor should tend to increase the earnings of the company. At the beginning of this year a new subsidiary entered production. This was the Canadian Cellulose Limited, in which the parent company owns a substantial portion of the common stock, and from which it purchases its soda pulp requirements. Part of the production of the mill is being utilized for the production of Howard Smith fine papers and the remainder is sold on the soda pulp market, in which the demand is fairly strong.

When, in 1924, the company discontinued its common stock dividend it was able to plough back large sums into property. This has resulted in materially strengthening the balance sheet position. The outlook for the future of the company depends entirely on the prospects of the market for high grade paper. With the development of the Dominion further increases in the demand for fine paper may be anticipated. In any event, the equity behind the common shares is being steadily increased, and thus the position of the shareholders is being steadily bettered. Earnings on the common stock last year indicate the fact that the company is approaching a period when dividends on the shares may again be resumed.

The present capacity of the company's soda pulp subsidiary is 50 tons daily, but the mill has been designed so that ultimately it may be expanded to produce 100 tons daily.

The soda pulp mill consumes poplar wood. The company is able to obtain this raw material more cheaply than spruce, the raw material of other pulps.

Is the Predominant Producer

Howard Smith Paper Mills is the largest manufacturer of high grade papers in Canada. Four plants in all are operated, two at Cornwall, Ontario, and one at Beauharnois and one at Crabtree, Quebec. The Kinleith Paper mill at St. Catharines, is owned by the company but it is not producing. The pulp production of the plants is 90 tons daily, of which 60 tons is sulphite and the remainder groundwood. From this is daily produced 60 tons of writing and other high grade papers, 15 tons of book paper, 15 tons of blotting paper and about five tons of specialty papers. At Cornwall, the company produces most of its own power and produces sufficient sulphite pulp to supply the entire needs of the organization. Groundwood pulp is produced at the Crabtree mill. The outlook for the future is satisfactory. Sales this year are reported to be at record levels.

Capitalization—

	Authorized	Outstanding
Common	$4,000,000	$3,693,700
* Pref. 8% cum.	3,000,000	1,599,700

After 8 per cent. has been paid on common, preferred participates equally up to 10 per cent.

Funded Debt—

1st mtge. bonds 6% due 1934, $387,400.
1st mtge. bonds, 7%, due 1941, $4,132,000.

Dividend Record—

Year	Common	Preferred
1920	7¼%	6%
1921	8%	8%
1922	6½%	8%
1923	6%	8%
1924 passed since June 1, 1924		8%
1925	—	8%
1926	—	8%

Officers and Directors—

C. Howard Smith, pres.; Jas. W. Pyke, vice-pres.; J. A. Cameron, vice-pres.; H. Crabtree, man.-dir.; W. D. Robb, Howard Murray, E. R. DeCary; T. P. Howard, comptroller; M. G. Peterkin, assts-sec.; E. H. Smith, sec.-treas.

Market Record—

	Common		Preferred	
Year	High	Low	High	Low
1916	80	80	..	..
1917	74½	65	..	..
1918	66	65	80	65
1919	151	65	99½	78
1920	165	145	..	..
New Company				
1920	167	74¾	107½	91
1921	110	53	92¼	64
1922	85	60	102	83
1923	83½	61½	108	97
1924	75	21¾	100	68
1925	47	22	106	69½
1926	67	38	106	92¾
1927 (to date) ...	69	59	112	103½

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Earnings	847,413	742,762	717,927	767,377	691,371	611,793
Add Other Income	7,936	9,675	9,648	5,430	2,169	1,519
Total	855,349	752,437	727,575	772,807	693,540	613,312
Less: Bond Interest	345,677	349,298	329,532	269,960	197,941	141,681
Depreciation	100,000	100,000	100,000	60,288	95,492	......
Written Off	......	......	......	......	24,995	......
Net Profits	409,672	303,139	298,043	442,559	375,112	471,631
Less Appropriations—						
Pref. Dividends	127,976	127,976	120,000	120,000	120,000	120,000
Common Dividends	......	......	92,342	221,622	220,720	279,932
Contingent Funds	......	......	......	33,823	90,025	......
Sinking Fund Reserve	......	......	......	78,180	......	......
Surplus for Year	281,696	175,163	85,701	†16,066	†55,633	71,699
Add Prev. Surplus	*5,163	......	......	16,066	71,699	......
Balance Carried Forward	286,859	175,163	85,701	......	16,066	71,699

* $170,000 of 1925 Surplus transferred to Depreciation Reserve. †Deficit.

	1926	1925	1924	1923	1922	1921
Times Interest Earned	2.18	1.87	1.90	2.42	3.02	4.32
Dividend Record and Earnings on Capital Stock—						
Preferred Earned	25.60%	18.95%	19.87%	29.50%	26.67%	31.44%
Paid	8	8	8	8	8	8
Common Earned	7.62	4.74	4.82	8.73	7.58	9.52
Paid	...	...	2½	6	6½	8

Superior Paper Mills

Company Manufacturing Specialties in Industry Gets Into Production

Superior Paper Mills, Ltd., Canada's newest specialty paper mill, has been producing now for a month and the production of the plant is exceeding expectations. The company is producing cylinder waxing and twisting tissue of an exceptionally good grade, and a pattern tissue which is said to be equal to any of the imported papers.

On the Fourdrinier Machine a waxing paper that has been a revelation to the trade, combining unusual strength with pliability and good formation, is being turned out. It is also making a product which is being favorably accepted by the butcher's trade; this is a water and blood proof fibre. The company has applied for patents on the process of making this paper and expects it to run into a large tonnage.

Capitalization—

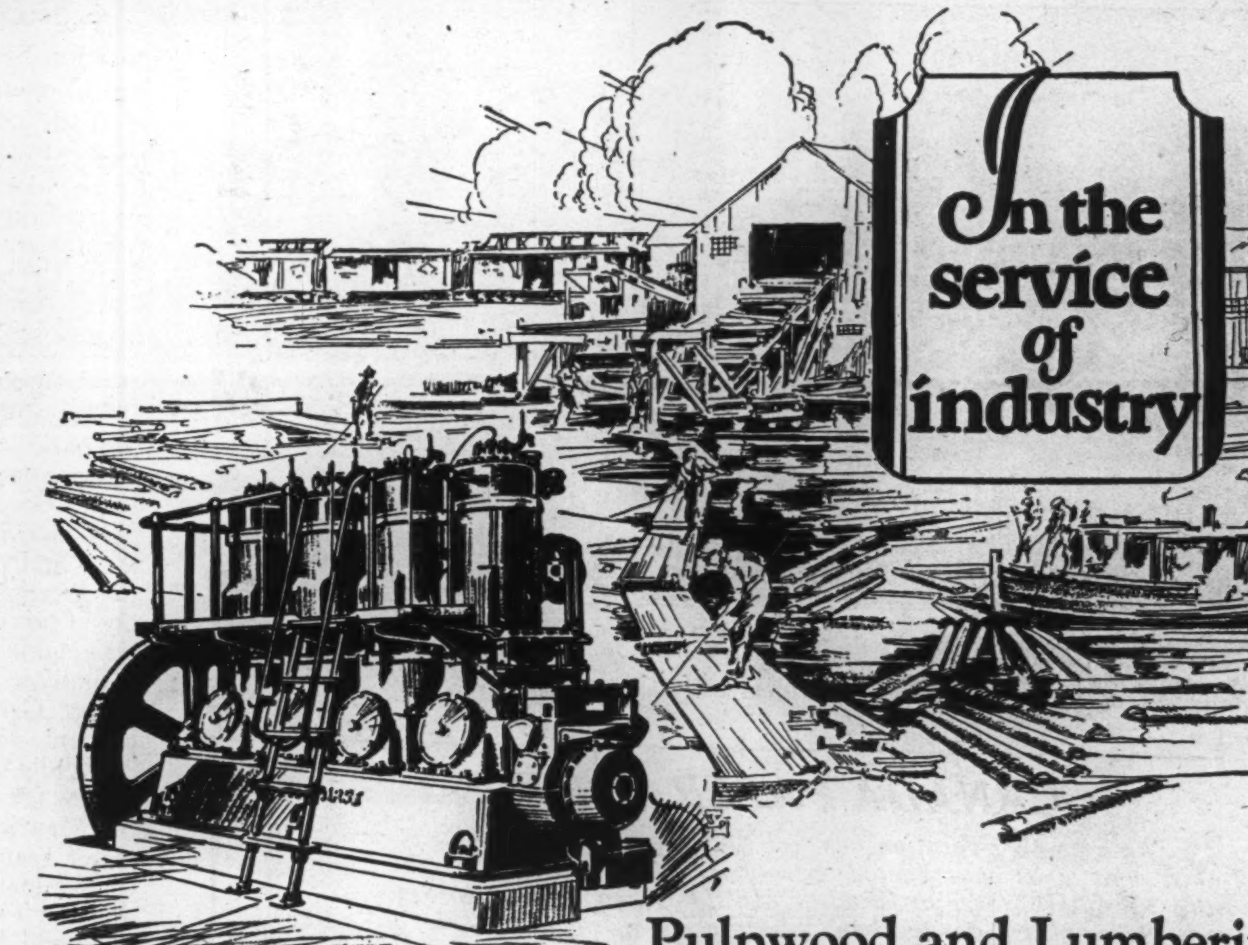
	Authorized	Issued
Common	$250,000	$240,000
Par $100.		

Funded Debt—

Bonds 7 per cent., 10-year, issued $60,000

Officers and Directors—

J. M. Cathcart, pres. and gen. mgr.; E. P. Foley, vice-pres.; R. E. Liptrott, sec.-treas.; J. L. McNicol, W. J. Alkins, A. J. Haines and W. J. Stockdale.


In the service of industry

Pulpwood and Lumbering

In the forests—as well as on the farms, in the mines, fisheries and factories of Canada—Fairbanks-Morse service and Fairbanks-Morse products play an important part in the service of Canadian industry.

In isolated mills, miles from the nearest city, where continuous service under strenuous conditions is essential, Fairbanks-Morse Diesel Oil Engines provide power for slashing and loading. Fairbanks-Morse Diesel Marine Engines drive the tugs which sweep and tow the logs, and Fairbanks-Morse Engines power the schooners which carry the pulpwood and lumber from port to port.

In the depots and camps you will find Fairbanks-Morse Forest Fire Pumps ready to be transported by canoe, pack horse, auto or aeroplane—to stand up sturdily in the gruelling fight against fire, the greatest enemy of our forest wealth.

Many of the lines described and illustrated in our general catalogue are manufactured in our own factories. Other lines we distribute for manufacturers who, by specialization, have made themselves pre-eminent in their special field. Our commanding position enables us to select the best for our customers.

Fairbanks Scales, Valves
Fairbanks-Morse
Stationary Oil Engines
Marine Oil Engines
Pumps, Generators, Motors
Forest Fire Pumps
Pratt & Cady-Valves
Reading Steel Valves
Pipe and Fittings
Steam Specialties
Machine Tools
Transmission Equipment
Graton & Knight
Leather Belting
Dick's Balata Belting
Trucks and
Contractors' Supplies
Deckle Straps
Ashcroft Paper Testers
Yale Hoists
Shop Supplies
Automotive Equipment

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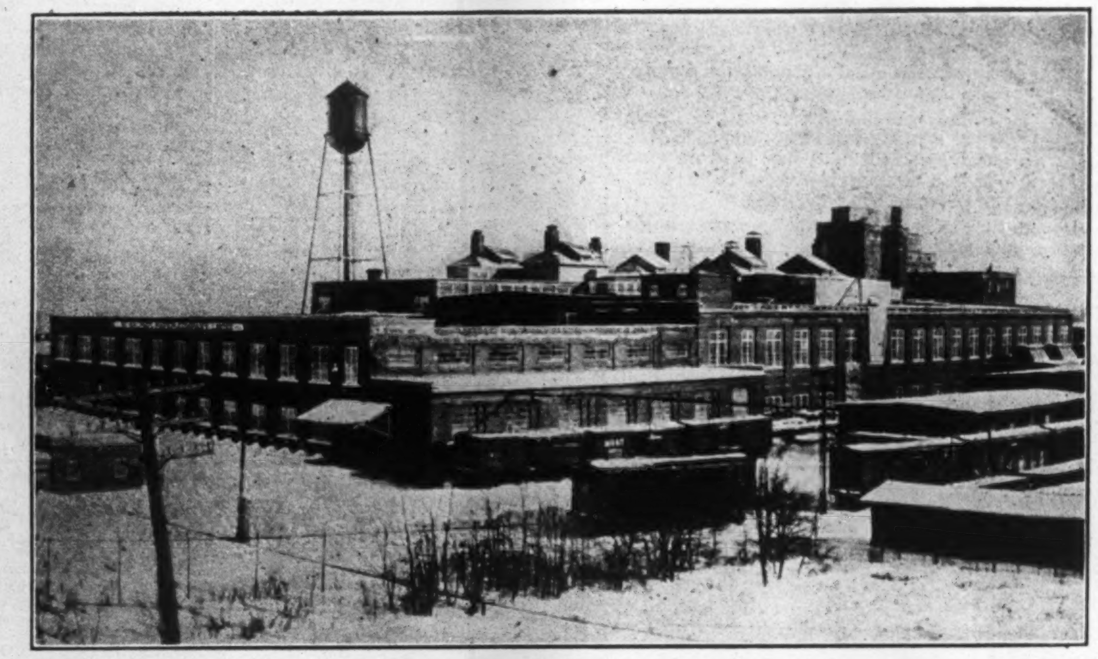
The CANADIAN
Fairbanks-Morse
COMPANY-Limited
St. John-Quebec-Montreal-Ottawa-Toronto-Windsor-Winnipeg-Regina-Calgary-Vancouver-Victoria
THE MAKERS OF FAIRBANKS SCALES AND VALVES

A Proven Partnership



The Three Rivers, P.Q., mill of the St. Maurice Valley Corporation. The daily capacity of the plant is 265 tons of newsprint and 65 tons of sulphate pulp. It is located at the junction of the St. Maurice and St. Lawrence rivers. Logs float directly to the mill and the finished product can be shipped directly into ocean-going vessels.

The Belgo Canadian mills of the St. Maurice Valley Corporation at Shawinigan Falls, P.Q., about twenty miles up the St. Maurice river from the corporation's Three Rivers unit. The capacity of the Belgo unit is 600 tons of newsprint daily. The location of the plant allows the wood to move largely by gravity from the time it enters the mill until it ultimately emerges as newsprint.

CANADA PAPER COMPANY

The parent corporation owns all the common stock in this company, the third unit of its consolidated operations. Four plants are operated through this subsidiary, three at Windsor Mills, P.Q., and one at Toronto.

The annual capacity of the plants which are operated under the name of the Canada Paper Company amounts to 13,500 tons of newsprint, 7,500 tons of wrapping and other higher grade papers, and a large production of paper boxes, paper bags and shipping tags.

This company only became included in the St. Maurice Valley picture at the close of 1926—after the corporation had been in existence for thirteen months.

THE record of the St. Maurice Valley Corporation during 1926—the first year of its operation—amply demonstrated the success of the merger which brought the corporation into being.

The corporation is the outcome of the largest merger of paper companies in the Dominion. It operates its own plant at Three Rivers, P.Q. and has leased the plants of its two subsidiary companies, the Belgo Canadian Paper Company and the Canada Paper Company.

The Belgo company's plant is at Shawinigan Falls, P.Q. The Canada Paper plants are located at Windsor Mills, P.Q., and at Toronto. Practically all the common shares of these two companies are owned by the St. Maurice Valley Corporation.

The daily rated newsprint capacity of the corporation's mills amounts to over 900 tons. In addition it has a production of sulphate pulp, wrapping paper and paper specialties. Paper specialties such as bags and boxes are manufactured at the plants operated under the name of the Canada Paper Company.

Thus the total daily capacity of the St. Maurice Valley Corporation places it well in the forefront of companies engaged in the manufacture of pulp and paper on this continent.

The component mills of the St. Maurice Valley Corporation have a record extending over many years of successful operation and have built up a recognized reputation for their output of paper among buyers. The corporation owns, also, one-third of the common stock of the Anticosti Corporation and in addition owns large tracts of timberlands situated on the watersheds of the St. Maurice River and its tributaries. From the island of Anticosti and from its own limits, the corporation has a perpetual supply of raw material. By the unification of the management of its plants, many savings in operating costs have been effected.

The Belgo Canadian Paper Company

The plant at Shawinigan Falls is owned by a subsidiary company, the Belgo Canadian Paper Company; practically all the common stock of the latter is owned by the St. Maurice Valley Corporation. Thus it has been possible to operate both the Shawinigan Falls and the Three Rivers plants as a unit. The Belgo Canadian Paper Company, like the parent organization, has favorable contracts for the supply of power, but in addition also purchases at an extremely reasonable rate 16,000 hydraulic horsepower under a perpetually renewable contract. The daily output from The Belgo Canadian Company's mill at Shawinigan Falls amounts to 600 tons of newsprint.

While the Belgo Canadian plant has all the necessary facilities for shipments by rail, The Three Rivers plant of the St. Maurice Valley Corporation also has the advantage of water transportation for lake or ocean routes. Thus the Shawinigan Falls plant handles rail paper shipments only and the Three Rivers' plant handles any shipments of newsprint which go forward by water.

The Canada Paper Company produces some newsprint, but also manufactures other grades of paper. All the common stock in this company is owned by the St. Maurice Valley Corporation. The Canada Paper consumes a portion of the surplus pulp production of the other units operated by the parent corporation.

THE MANAGEMENT

The corporation operates under the following officers and directors:

M. B. WALLACE, *Chairman;* SIR HERBERT S. HOLT, *President;* GEORGE M. MCKEE, *Vice-president and Managing Director;* A. CROSS, J. H. GUNDY and T. T. WALLER, *Vice-presidents;* FRANCOIS FAURE, C. B. MCNAUGHT, GEORGE H. MONTGOMERY, T. A. WARK, *Directors.*

The St. Maurice Valley Corporation

Head Office: Canada Cement Building, Montreal

St. Maurice Valley

New Merger Corporation Concluded First 19 Months' Operations Satisfactorily—Betterment in Newsprint Situation Would be Reflected in Profits

Earnings of the St. Maurice Valley Corporation for the year to date are but little below those of 1926, despite the slowing up of the industry. The corporation recently increased its outstanding bond capitalization by $2,000,000 and at the time the offering was made to the public, earnings for the first half of this year applicable to bond interest, depreciation and depletion amounted to $1,576,561—or at the rate of $3,153,122 annually. This figure compares with one of $3,468,022 in the 1926 fiscal year.

However, that fiscal year covered a thirteen months period and earnings from the Canada Paper Company did not make themselves felt for that subsidiary was only acquired near the end of the fiscal period. Thus the small decline in the earning power of the corporation's assets has been perhaps a little larger than the figures indicate. Nevertheless the showing is considerably better than might have been anticipated with the present depressed condition of the newsprint market upon which the corporation largely depends for its earnings. Thus from an investment angle the St. Maurice Valley Corporation appears to be in a very satisfactory position to take advantage of the eventual betterment which will take place in the demand for newsprint.

The Corporation's Assets

The assets of the St. Maurice Valley Corp. may be divided into two groups, the corporation's own physical holdings and its holdings of securities of subsidiary companies.

The security holdings of the St. Maurice Valley Corporation include practically all the common shares of the Belgo Canadian Paper Co. and all the common shares of the Canada Paper Co. As there is an investment interest in both these companies quite separate and apart from that of the investment interest in the St. Maurice Valley Corp.. they are discussed separately under their own names in this issue.

In addition, the St. Maurice Corp. owns one-third of the common stock of the Anticosti Corp., from which it obtains a portion of its pulpwood requirements.

Physical Assets Owned

The physical assets which the St. Maurice Valley Corp. owns include a paper mill at Three Rivers with a daily capacity of 265 tons of newsprint and 65 tons of sulphate pulp. In addition, the parent company owns an extension to the Belgo mill, which houses two 100 tons newsprint machines.

The St. Maurice Valley Corp. controls, either itself or through its subsidiaries excluding the Anticosti Corporation, timber limits containing some 20,000,000 cords of pulpwood, sufficient to ensure practically a perpetual supply of raw material. The installed capacity of the mills which the corporation owns or controls amounts to over 1,000 tons of paper, of which 935 tons is newsprint.

Holdings are Summarized

The owned and controlled properties may be summarized as follows: the Three Rivers plant, which produces 275 tons of newsprint and 130 tons of chemical pulp daily; the Belgo-Canadian plant at Shawinigan Falls, comprising an 8-machine, 600 tons newsprint mill; the Canada Paper Co., comprising a 60 tons newsprint and paper specialty mill, and timber limits owned or controlled, amounting in all to some 6,500 square miles.

The power supply of the corporation and its subsidiaries is largely supplied under long-term, satisfactory contracts with the Shawinigan Water and Power Company.

First Year Was Successful

The year 1926 was the first year of consolidated operation for the corporation, and the results achieved were eminently satisfactory. The profit and loss statement shows that the merger resulted in operating savings. The corporation occupies a strong position, and is undoubtedly in a position to benefit very materially when the market for newsprint paper once against shows strength.

The record of the companies, which are now consolidated with the St. Maurice Valley Corp., is excellent. The company's Three Rivers plant is located on deep water, thus the corporation is in a good position to ship overseas or to points on the Atlantic seaboard.

Corporation Headed By Holt

The corporation is headed by Sir Herbert Holt, which means that the company stands shoulder to shoulder with the many other sound paper companies in which Sir Herbert Holt is largely interested. The company's Three Rivers and Shawinigan mills are located less than twenty miles apart, and to some extent it is economical for one mill to utilize the limits owned or controlled by the other. In combination with over 50 per cent. of the Canadian newsprint producers, the corporation sells its output through the Canadian Newsprint Company. St. Maurice Valley carries its interest in the Anticosti Corp at $1 on its balance sheet.

Capitalization—

	Authorized	Outstanding
Common (No par value)	500,000 shs.	160,000 shs.
Pref.	$10,000,000 ;	$5,000,000, $100 each 2,500,000, 5 each

Funded Debt—

6% first mortgage and collateral trust sinking fund gold bonds and 6% registered debenture stock, Series "A," due 1945, $9,797,333.

Officers and Directors—

M. B. Wallace, chairman of board; Sir H. S. Holt, pres.; G. M. McKee, 1st vice-pres.; J. J. Waller, vice-pres.; J. H. Gundy, vice-pres.; A. Cross, vice-pres.; G. H. Montgomery, K.C., F. Faure, T. A. Wark, C. B. McNaught, G. W. Hodgson, sec.-treas.; R. W. Louthvod and J. W. Hodgson, asst. sec.-treas.

Dividend Record—

Dividends on preferred at rate of 7% per annum, accrued from Dec. 1, 1925, and are regularly paid quarterly, Jan., Apr., July and Oct. 1. The first instalment of $.58 1/3, for one month, was paid Jan. 1, 1926.

Income and Surplus Account—

(13 months ended Dec. 31)

	1926
Gross oper. profit	$4,735,856
Less: Deprec. and depletion	$1,065,709
Belgo bond interest	568,629
Can. paper interest	124,345
Bond and bank interest	574,859
Net profits	$2,402,314
Less appropriation—	
Pref. dividends	$1,024,059
Belgo minimum div.	22,836
Contingent acct.	325,000
Surplus for year	$1,030,419
Earned on common	$8.46 per sh.

Production—

Company operates two mills, one at Three Rivers and one at Shawinigan Falls. Daily production, 900 tons newsprint; 60 tons kraft pulp, and through the Canada Paper Co., 50 tons newsprint, 15 tons wrapping paper, 15 tons specialty papers. An annual output of 29,000,000 paper boxes, 300,000,000 paper bags and 60,000,000 shipping tags.

Bathurst Company

Profits Are at About Last Year's Level — Expansion Planned Ultimately

Earnings of the Bathurst Company this year are understood to be at about the same level as a year ago, but with the hesitancy in the market for newsprint and sulphite pulp, it is possible that the 1927 earnings may be marginally lower than those of 1926.

Since 1907, Bathurst has produced spruce lumber, sulphite and sulphate pulp, and, in 1923, it began its career as a manufacturer of newsprint paper. It was the first newsprint producer in the Maritimes and supplied many of the newspapers in that territory.

Eventual Expansion Planned

Eventually, it is planned to add another newsprint machine, which would bring its daily capacity up to about 120 tons. There is provision in the plant for this expansion.

The company also has provision for the installation of a third unit in its hydro electric development, which would increase the capacity of that plant by about 50 per cent. It owns its own deep-water docks and its products are shipped to all portions of the world. The company's power development at Grand Falls, on the Nepisiguit River, has a capacity of 9,000 h.p. A portion of the power requirements of the town of Bathurst, N.B., are supplied by the company.

Some time ago the Bathurst Company received legislative authority to develop storage dams and to erect another power development at a point known as "The Narrows," on the Nepisiguit River.

Would Allow Expansion

Surveys and plans for this work were undertaken many months ago. As soon as conditions in the newsprint market warrant the extension, it is understood that the Bathurst Company will proceed with the erection of the storage dams. This construction alone would allow the present newsprint capacity of the mill to be doubled.

The subsequent development of the Narrows site would allow the company to instal two further newsprint machines with a daily capacity of 100 tons each. Preliminary work on a new 200 ton newsprint mill is underway.

The present daily capacity of the mills is 65 tons of newsprint and 70 tons of sulphate pulp. The kraft pulp production is sold largely in the United States market. Prices for the company's pulp output have been very satisfactory this year.

The plant is located at Bathurst, N.B., on tidewater. Thus will supplies and the finished product both are shipped at low rates. Bathurst controls some 2,600 square miles of timber limits distributed in Eastern Quebec and the northern area of New Brunswick. In addition to cutting pulp from its own limits, the company purchases some 36,000 cords annually.

In 1925 Bathurst experienced a material betterment in its earnings. This improvement has been maintained throughout 1926 and up to date. The future expansion policy of the company seems to depend entirely on the situation which may prevail in the markets for newsprint paper, but as has been said Bathurst definitely plans to erect a new 200 ton newsprint mill at scme future date.

Capitalization—

	Authorized	Outstanding
Common shares	$15,000,000	$10,184,200

Bonded Indebtedness—

6½% 1st mtge. bonds, 1941	$1,299,500
7½% 1st mtge. bonds, 1941 (Convertible into common at par)	1,238,000

Officers and Directors—

Angus McLean, president; A. E. McLean, vice-pres.; M. E. Priesch, vice-pres.; John A. Cameron, L. S. DeGraff, Gordon C. Edwards, E. R. Bremner, W. T. Eckardt, J. D. McCallum, S. B. Bond, sec., Cyrus D. Jones, F. P. Jones, Harry L. Jones, E. S. Peck, F. L. Peck.

Income and Surplus Account

(Years end. Dec. 31)

	1926	1925	1924
Operating profit	$853,437	$854,032	$526,988
Less:			
Interest charges	263,307	286,922	313,029
Depreciation	463,646	460,644	215,739
Depletion	51,985	86,808	......
Income tax	6,308	3,500	......
Net profit	$68,191	$16,158	*$1,780

*Loss.

EMPLOYED 50,000

Over 50,000 men were engaged in lumber operations in the various sections of the province of Quebec during the past winter, according to figures collected by the Department of Lands and Forests, and over 4,000 camps were used to accommodate them.

B.C. Pulp & Paper

Earnings Reported to be Running Along at About Last Year's Level

The management of the British Columbia Pulp & Paper Mills has been working steadily towards improving the quality of the company's sulphite pulp and has been successful in maintaining and expanding its oriental markets. It is reported that earnings during the current year are running along at about last year's level.

The company owns three plants, two of which are now in operation. The active properties are situated at Mill Creek and at Port Alice, B.C. The third mill is at Swanson Bay, B.C. The Mill Creek plant manufactures easy bleaching sulphite and has a capacity of 100 tons daily. The Port Alice mill has a daily capacity of 60 tons of bleached sulphite pulp.

Future Depends on Market

The company owns extensive town sites at Port Alice and controls by lease 155,000 acres of timber lands from the B. C. government. The mills at Mill Creek and at Swanson Bay have their own hydraulic power. The future of the company will probably keep pace with the ups and downs in the sulphite pulp market. Despite the fact that 1927 prices have been low, satisfactory progress appears to have been made.

When the present company acquired the old Whalen assets, the bondholders of the older company were given new bonds par for par in the British Columbia Pulp and Paper Mills. The preferred stock was distributed in lieu of Whalen's bond interest arrears.

At the end of 1926 the company declared a preferred dividend, dating from the inception of the new company, and the preferred stock is now being maintained on a regular dividend basis.

Capitalization—

	Authorized	Outstanding
Common shares (No par value)	150,000	100,000
Pref. 7% Cumulative from Nov. 1, 1925.	$1,000,000	$556,200

Funded Debt—

1st mtge. 6% bonds, due 1950	$3,707,500
Gen. mtge, 7% bonds, due 1950	1,500,000

Dividend Record—

On pref. stock initial dividend of $8.75 a share paid Feb., 1927, representing all accumulated dividends, May, 1927, $1.75.

Officers and Directors—

L. Killam, pres. and man. dir.; O. A. Jorgenson, treas.; F. S. Bell, sec.; R. C. Buchanan, W. J. Blake-Wilson, W H. Malkin, I. W. Killam, Dr. V. R. Mitchell, W. C. Pitfield.

Profit and Loss—

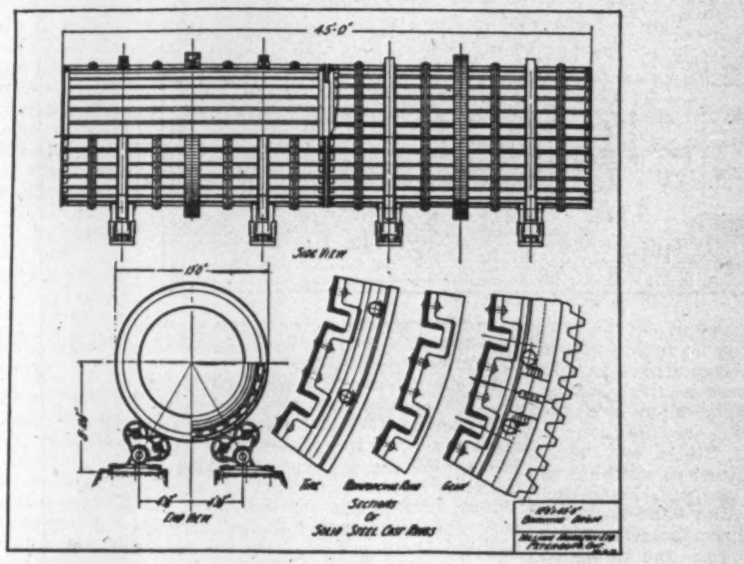
Year end: Dec. 31).

	1926
Profits	$807,232
Bond interest	$320,420
Depreciation	374,752
Taxes	31,000
Net profits	$ 81,060
Pref. dividends	38.934
Surplus	$ 42,126

Production—

255 tons of sulphite pulp daily.

The William Hamilton BARKING DRUM (Patented)



A New Design

This Barking Drum was designed with the three greatest production factors in view—*continuous and economical operation and high production.*

The channels fit tightly over machined lugs in solid steel casting rings. The short (2") rivets merely hold the channels in position. There is absolutely no shearing strain on the rivets.

We have entirely done away with plate work. Even the specially designed end rings are solid steel castings rivetted directly to the channels without clips.

The Drum—which is of the most substantial construction throughout—revolves on solid steel tires. The gears are nickel—iron—alloy. The entire weight is supported on Hyatt roller bearings. Not only is a consistent high R.P.M. maintained, but power consumption is very considerably reduced. Brooming has been reduced to an almost negligible factor.

Six 12' x 45' Hamilton Drums have been installed in one of the large mills in Canada, and another large corporation has placed an order with us for further Drums.

William Hamilton Limited

HEAD OFFICE AND WORKS
Peterborough, Ontario

WINNIPEG Kipp-Kelley Ltd.
MONTREAL Canada Cement Bldg.
VANCOUVER Robt. C. Sweatt Ltd.

QUEBEC

The Premier Province in Pulp and Paper Production

This leadership and expansion is based on the solid foundation of:—

AMPLE WOOD SUPPLIES, ABUNDANT WATER POWER, CAPABLE CONTENTED WORKMEN, SOUND GOVERNMENT POLICIES.

Of the 114 pulp and paper mills in Canada, 50 are in the Province of Quebec. Of the $460,000,000 invested in the industry in Canada at the end of 1926, $227,000,000 was invested in the Province of Quebec, and most of this investment has been made during the past 35 years when investment confidence in the opportunities of Quebec's forests has grown apace.

Quebec is the leading producer both of wood pulp and paper in the Dominion. In 1926 production of paper was $70,000,000 and of wood pulp $50,000,000.

Recent Expansion of the Industry

That the industry is on a sound foundation in the province of Quebec is amply evidenced by the expansion of the pulp and paper mills in the province. The conclusion of the 1927 calendar year will have witnessed the following extensions to the Quebec section of the Canadian pulp and paper industry during the twelve months' period:—

Ste. Anne Paper Company, 250 tons; Anglo-Canadian Pulp and Paper Mills, 250 tons; Belgo-Canadian Paper Company, 200 tons; Port Alfred Pulp and Paper Corporation, 200 tons; St. Lawrence Paper Mill, 150 tons; Brompton Pulp and Paper Company, 110 tons; Canadian International Paper Company, 600 tons; Lake St. John Power and Paper Company, 200 tons; Price Brothers, 200 tons.

Government Co-operation

¶ Daily the Department of Lands and Forests is giving the closest co-operation to those who are developing and to those about to develop the forests. ¶ With forests covering more than 130 million acres, with a value of well over a billion dollars, capital is being invested daily. ¶ With the object of conserving the forests, the Department of Lands and Forests ensures that lease holders maintain a certain portion of the forest stand for regeneration purposes, maintains an organization for reducing fire loss to a minimum, and enforces rules with regard to burning brush, etc. ¶ The regulations which have been adopted are as much a help to the operating companies as they are to the province, with the result that capital investment is in no way hindered.

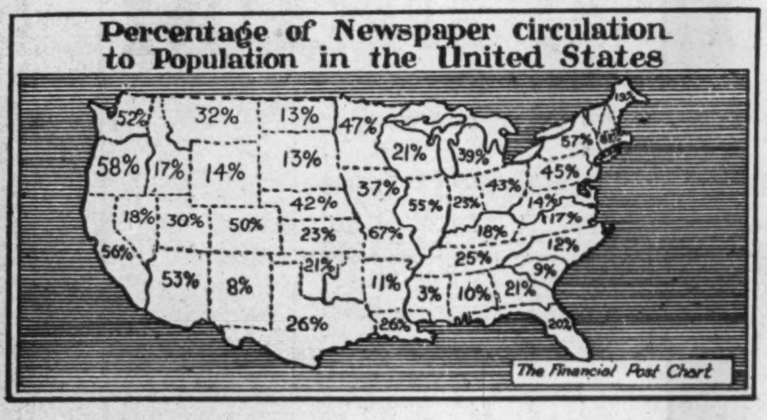
For information write HON. HONORE MERCIER, Minister of Lands and Forests, QUEBEC

Over-Production Still Present, But Industry is Basically Sound; Ultimate Future Seems Bright

(Continued from page 21)

the saturation point in the States, as will be seen from the following chart, which shows the percentage of newspaper circulation to population by states:

Percentage of Newspaper circulation to Population in the United States



The Financial Post Chart

From the foregoing it can be seen that the greatest consumption occurs in Massachusetts and Missouri, with 83 and 67 per cent. respectively, whilst New Mexico and Mississippi have only an 8 and 3 per cent. consumption respectively. Those States can never be expected to consume as much newsprint per capita as say, Massachusetts, but on the other hand there are a number of northern States in which the consumption can and probably will be increased.

Earnings Depend on Price

The earnings of the newsprint companies, of course, depend on the price which they obtain for their output. When newsprint prices first started to increase during the war, the newsprint mills were able to build themselves into a strong financial position. After the war, newsprint soared still higher and even touched at one time $130 a ton. This was for small lots only. During this period further strength was woven into the balance sheets of the companies. Large reserves were put away for less prosperous days. When the slump did come at the end of 1920 the mills were strongly entrenched and stood the shock well.

Naturally, at that time the price of the newsprint securities slumped also, but since then they have moved upwards almost continuously and have now reached a normal level — that is a level normal as compared with the present hesitancy in the newsprint market.

Finally Dropped to $65

Prices settled down in 1923 to $75 a ton and later went to $65 a ton. At $65 a ton the Canadian newsprint companies can earn excellent profits, provided that they are operating at well nigh capacity.

At the beginning of 1926 there were many who believed that the mills would have their profits materially curtailed by the $5 cut in price. But the 1926 balance sheets have made their appearance and there appears to be no real sign of any reduction in profits. This was due of course to the fact that all through 1926 operations were maintained at capacity.

Earnings for those companies whose fiscal year ended June 30 last, however, do show some reduction in earnings, due principally to the fact that during the second quarter of 1927 operations were materially curtailed. If operations through 1926 only average around 85 per cent. capacity, it can be anticipated that the 1927 annual reports will all show declines in profits.

But to return to the story of the industry in Canada. Previous to 1920, new mills continued to spring up in this country, and of course the consumption of newsprint also moved upwards, but not as rapidly as the increased production from the new mills on this continent. By the beginning of 1924 a situation was reached where it became apparent that more newsprint would be produced than could be satisfactorily absorbed.

Production increased 24 per cent. in 1922 and another 9 per cent. in 1923. The quick increase was not much greater than the normal when considered over a longer term of years

The result was that the mills agreed to slow down their production temporarily. But some of the mills declined to slow down their machines and this created a surplus supply and prices at the end of 1924 began to sag. They have been sagging ever since. And, the investor would do well to take into consideration the fact that there is undoubtedly a possibility of still further price cuts in 1928.

Whether newsprint will sell lower in 1928 depends practically entirely o whether the manufacturers can manage to hold the price at this level, in view of the surplus capacities of the mills on this continent.

Most investors in the newsprint industry realize now that the industry is in the doldrums. The plants are operating at 80 per cent. capacity, which, while reasonable enough in practically all other industries, is out of line with the figure of $65 a ton, the present price of newsprint. The newsprint mills should operate at well nigh capacity with prices at their present figure to allow large enough reserves to be set aside for depletion of forests and for the pursuance of proper forestry practice.

Prices Remain Steady

The investor may be a bit sceptical regarding the extent of the recession in the newsprint industry, and may point out that despite this condition, newsprint stocks have been comparatively strong. The reason for this strength in the shares can be traced to two causes, namely the increasing amount of funds which have been made available for investment over the past year or two, coupled with the fact that the common shares of the newsprint companies provide probably the only outlet for investment in common shares which at the present time yields a good return, and for which the ultimate future outlook appears to be entirely satisfactory.

However, so far as the investor is concerned, and as far as the immediate outlook for these securities is concerned, it would be well to remember that some of the newsprint executives to-day feel that the present situation in the industry will persist for perhaps two years. But the time may be much shorter than this.

Depends on U. S. Business

Broadly speaking, the future of the Canadian newsprint industry depends only on the future course of business in the United States. During the current year business across the border has been spotty, with the result that the purchase of white space by advertisers has been but little changed from the first eight months of 1926.

The size of the newspapers in the U. S. depends practically entirely on the amount of advertising. Thus, the consumption of newsprint during the first eight months of the current year, is practically the same as during the same period of a year ago, despite the fact that the capacities of the U. S. and Canadian newsprint mills have been increased by more than 13 per cent. The figure would be even larger if the increased production from Newfoundland and Mexico were included in the figure.

Said to Be Price Cuts

With the capacities of the mills now well in excess of the current demand, there is also the possibility of a cut in newsprint prices. Indeed to-day, it is said that a few of the smaller mills are making some minor price concessions. Offsetting this, though, it is to be remembered that the industry as a whole is not interested in price cutting and that the larger publishing interests in the U. S. would prefer stable prices rather than possible cuts which would ultimately only send prices soaring once again. Moreover, of the total newsprint output on this continent, about 60 or 65 per cent. is now sold through two units, the International Paper Company and the Canadian Newsprint Company.

The Canadian Newsprint Company sells the entire output of the Spanish River, Laurentide and Abitibi mills and their associated companies, together with that of all the companies in which Sir Herbert Holt is largely interested. These include Price Brothers, Port Alfred and St. Maurice, amongst others. It appears, therefore that every effort will be made to maintain current contract prices through 1928.

Not Expanding Now

For the first time since the inception of the industry in Canada, the Canadian newsprint industries may now be said not to be in a period of expansion. Of course, other mills are being erected at the present time, but it is generally felt that the governments interested will not sell further timber limits to new companies which would further endanger an already established industry. The position of the industry to-day is in decided contrast to that of a year ago, when additions to many mills showed that the capacities of the plants would be increased by thousands of tons daily.

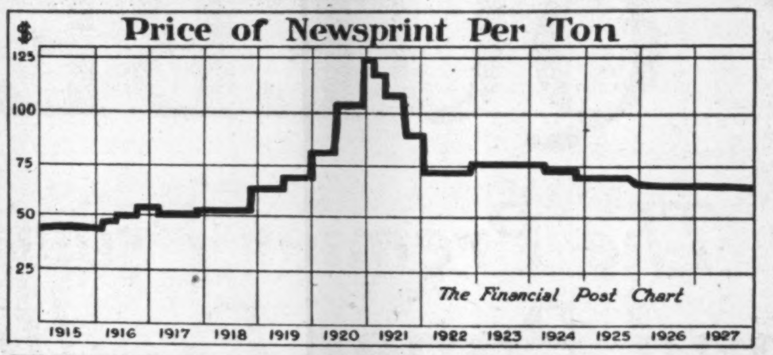
To-day, where construction is in progress, it is in its final stages, and mills are now completing expansion or new mills are being erected which were first started many, many months ago.

A Record of Growth

As has been said, practically since its inception in this country, the industry has steadily been expanding. The reasons are not far to seek. The growth is due to the growing consumption of the product in Canada and in the United States,—principally in the United States. The newsprint industry began to grow in the Dominion when the United States lifted its tariff wall that had formerly barred Canadian newsprint from that market. The industry experienced its greatest growth during the War and the years that followed, when a stimulus was given to the reading of newspapers and to advertising.

The next chart shows the movements of newsprint prices. Although the graph shows prices going up or down step by step, this is not what usually occurs in practice. It takes some time for a new level of prices to be established, and then, if prices are falling, one or two mills will begin to sell below the market, until finally all the mills are selling at the same rate. However, the chart gives a good idea of the various changes in price:

Price of Newsprint Per Ton



The Financial Post Chart

The gross profits and net profits of the financial statements of the companies whose year concludes at the end of December next will show a decline as compared with 1926. The decline in the net profits of the mills, though, will not be as large as perhaps many anticipate, for the mills have been able to decrease their operating expenses in many directions. Wages have been falling for some years now, and in the past many companies have been making capital expenditures out of their year's earnings, and in this way have greatly improved their balance sheet positions.

Long Outlook Satisfactory

For the long pull there seems to be no need for worry over the Canadian newsprint situation. Investors, however, in the securities of the newsprint companies will do well to realize fully the present and past state of the industry and to discount largely the often ridiculously bullish propaganda which is circulated regarding the newsprint stocks. The newsprint industry itself appears to be on too firm and too sound an economic foundation to require any such bullish propaganda.

The exact situation to-day may perhaps be summarized in the following comparisons of unfavorable and favorable factors affecting the industry:

Favorable Factors

Canada has cheaper water power and more abundant wood supplies than the United States, and that while the American newsprint industry has reached practically the limit of its advance, the Canadian newsprint industry has raw materials for greater progress.

Canadian mills, because of their natural advantages, can produce newsprint paper more cheaply than the average American mills, and in competition for business are able to win out for this reason.

Canadian mills are more modern than the American mills, and in fact many of the American mills are to all intents and purposes obsolete, and are being converted into fine paper and power plants. This all tends to relieve the over-production situation and to clear the markets for Canadian newsprint.

Newsprint use in Canada and the United States is steadily growing and this broader increase must be looked at in preference to the possibility of a temporary over-production.

The usual seasonal increase in the demand may again take place this autumn and the mills instead of operating, as they are now, at 80 per cent. capacity may again start operating full time.

The capacities of the mills on this continent are now about 25 per cent. in excess of the demand for the product. Thus at present prices for newsprint, earnings will be curtailed this year.

That still further mills are being erected which will tend to increase the over expansion in the industry.

Newsprint prices might decline further.

Executives in the companies look for a period of two years of dull times in the industry. However, no one looks for any really extreme depression. It is hoped that some unforeseen factor may enter into the situation to increase the consumption of newsprint.

GROW BY $2,142,819

For the first six months of the year the total exports of pulp and paper were valued at $85,009,814, as compared with a total of $82,866,995 in the corresponding six months of 1926, an increase for this year of $2,142,819.

British Columbia pulp and paper mills have a capacity of 1,000 tons per day.

The value of British Columbia lumber output in 1926 was $84,802,000.

Symbol of the Best Bond Paper

THE "R Shield" Watermark definitely guarantees bond paper quality. Behind it are the traditions, ideals and acquired skill of over forty-five years of paper making.

Rolland bonds were the best in 1882. To-day they still lead the field—the standard by which all good papers are judged. You will find the "R Shield" Watermark in:

Superfine Linen Record — Colonial Bond
Earnscliffe Linen Bond — Service Bond
Empire Linen Bond — Mount Royal Bond

A Quality Paper for Every Purpose

THE ROLLAND PAPER COMPANY
LIMITED
MONTREAL
High Grade Paper Makers since 1882
Mills at St. Jerome, P.Q. and Mont Rolland, P.Q.

Fourdrinier Wires
UP TO 310 INCHES IN WIDTH

Cylinder Covers
All kinds of Wire Cloth for Paper Mills
Dandy Rolls

The Johnson Wire Works Ltd.
St. Henry, Montreal

Charles Walmsley & Co.
(CANADA) LIMITED
MANUFACTURERS
NEWSPRINT PAPER MACHINES
BOOKPAPER MACHINES BOARD MACHINES
WOOD GRINDERS ROLL GRINDERS
HYDRO TURBINE VACUUM PUMPS, Etc.
"Walmsley Machines Excel"

Office:
511 St. Catherine Street West, Montreal, Que.

Works:
Longueuil, Que.

Abitibi Pulp & Paper

Has Extended Stake in Pulp and Paper Industry Considerably During Past Year — Is One of the Most Attractive Investments in the Industry

The most notable development in the Abitibi Power & Paper Co., during the past year has been the acquisition of the Abitibi Fibre Co., in which the parent organization holds all the preferred common stock. The acquisition of the property by Abitibi was financed by a public offering of bonds. Due to the investment interest in the subsidiary it is dealt with separately in this issue.

While the market for sulphite pulp, the sole product of the Abitibi Fibre Co., has been weak of late, yet the acquisition of the mill gives the parent company a more varied production, which in view of the present hesitancy in the newsprint market, should tend to improve the position of the parent organization.

Has Substantial Production

The subsidiary's output of sulphite pulp, half of which is bleached sulphite, amounts to 200 tons daily, as compared with a rated capacity of 550 tons of newsprint from Abitibi's own mill. Thus earnings from the subsidiary should play no minor part in the total revenue of the parent company.

The acquisition of the subsidiary increased Abitibi's power resources from 115,000 horsepower to some 125,000 horsepower. Also, the parent company's timber holdings were increased by about 840 square miles of leasehold and about 125 square miles held in fee simple. From the investment angle also, it is satisfactory to note that these timber holdings are adjacent to the timber holdings of the parent organization. Ultimately, with a revival in the demand for newsprint paper, it is probable that the subsidiary will be further developed into a newsprint plant. When this occurs, it will provide a better market for the surplus power which the Abitibi Power & Paper Company's hydro developments produce, which is now being utilized in the company's steam boilers.

Plant Produces at Low Cost

The Abitibi Power & Paper Company's newsprint plant at Iroquois Falls, Ontario, is generally rated as one of the most efficient in the Dominion. It is situated close to its raw materials; as a result, Abitibi produces newsprint at a low cost. The company has looked after the best interests of its employees, and has built up an attractive town site surrounding the plant. In addition to cutting its own wood it purchases a great many cords yearly from settlers.

Each day in the week, except Sunday, the company sends away a train load of paper. The mill has some surplus sulphite production, which is sold only when the sulphite market is attractive. Abitibi's shares, in addition to being listed in Montreal, are listed in New York, and a broader market for the stock is thus obtained.

Large Power Producer

As has been said, Abitibi has a total power production of some 125,000 horsepower. Over 60,000 horsepower comes from the Island Falls power plant, purchased from the Hollinger Gold Mines in 1924, and the company's older Twin Falls plant produces 55,000 horsepower. The hydro-electric development of the Abitibi Fibre produces 9,000 horsepower.

It is said that the company uses about half its power production for usual power purposes, whilst the remainder, or surplus power, is utilized in electric boilers which produce all the steam necessary in the plant. The use of steam produced by electricity by the company works out more economically at Abitibi than in mills located where it is possible to obtain coal at a cheaper cost than at Iroquois Falls. The location of the company's plant necessitates the payment of high freight rates for fuel.

Whilst the machines in the Abitibi mill have a rated capacity of 500 tons a day, an index of the efficiency of the mill itself can be obtained from the fact that it can produce 550 tons daily.

The mills are located close to the timber supply. Hence it obtains low cost pulpwood. The company's balance sheet shows that it is in a remarkably strong financial position, and how well it has turned its natural advantages into account is clearly shown in the profit and loss figures accompanying this article. Abitibi common is classed as one of the most attractive newsprint stocks obtainable.

The company has a substantial investment in the Manitoba Paper and St. Anne Paper companies. These two new plants have within comparatively recent weeks entered production. Thus Abitibi's position is the stronger with the large investment which it has made in these new companies now on an earning power basis.

Capitalization—

	Authorized	Outstanding
Common .... (No par value)	250,000 shs.	250,000 shs.
7% cum. pref.	$1,000,000	$1,000,000

On May 1, 1920, the old $100 par value shares were exchanged for five new shares of no par value.

Funded Debt—

1st mtge. bonds 6%, due 1927-34 ..	$2,061,500
Gen. mtge. bonds 6%, due 1940 ..	3,523,000
Con. mtge. bonds 8%, due 1931 ..	3,066,600
Gold notes, 6%, due 1931	4,000,000

Dividend Record—

Initial quarterly dividend of 1¾ per cent. on pref. paid Jan., 1917; regular quarterly payments since. All accrued dividends aggregating 19¼ per cent. paid in full Oct., 1919.

On common initial dividend of 1½ per cent. paid on stock of $100 par value, Oct., 1919; Jan., 1920, 4½ per cent.; April 1920, 7½ per cent. On July, 1920, initial dividend on no par value of $1.50 was paid; Oct., 1920, and Jan., 1921, $1.50 per share each; April, 1921; $1 per share, none thereafter until Oct., 1922, when $1 was paid; 1923, $4, and quarterly until Jan. 20, 1927, when rate was increased to $1.25 per share and quarterly since.

Officers and Directors—

Alexander Smith, president; W. A. Black, vice-pres.; L. R. Wilson, vice-pres. and man. dir.; W. H. Smith, sec.-treas.; R. A. McInnis, mill manager; T. Broadhurst, asst. sec.-treas.; George H. Kilmer, K.C., W. K. George, Geo. E. Challes, Victor E. Mitchell, K.C., D.C.L.; Sir Thos. Tait, A. J. Brown, K.C., E. L. Pease.

Market Record—

	Common		Preferred	
	High	Low	High	Low
1916	82	65	91	89
1917	58½	48	90	88½
1918	57½	48	90	90
1919	292½	48	110	90
1920	*340	248	97½	85
1920	†87	46½	..	..
1921	58	22	89	83
1922	71	30	100	83¼
1923	74	56½	100¼	90¼
1924	60	53	108½	97
1925	75¼	61½	111¼	98½
1926	98	70¼	116	106¾
1927	109½	82	119	113

*$100 par 1920.
†Changed to no par value, May, 1920.

Abitibi Pulp & Paper Co.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Gross Earnings	......	10,364,677	10,686,859	11,047,677	9,461,299	8,861,810
Less: Operating Expenses	......	6,124,340	6,301,307	6,768,088	5,846,462	4,183,637
Net Earnings	4,254,595	4,240,337	4,385,552	4,279,579	3,614,837	4,678,173
Less: Int. on Funded Debt	539,781	611,420	762,260	882,625	929,123	849,743
Depreciation, etc.	597,819	539,000	625,505	930,186	803,391	989,763
Income Tax Appro.	155,000	220,000	190,000	......	53,177	......
Net Profit for Year	2,961,995	2,869,917	2,807,787	2,466,768	1,829,146	2,838,677
Less Appropriation—						
Pref. Dividend	70,000	70,000	70,000	70,000	70,000	70,000
Common Dividends	1,062,500	1,000,000	1,000,000	1,000,000	500,000	250,000
Reserve for Deprec.	965,707	1,521,461	1,236,144	......	......	2,177,145
Adjust. of Taxes	......	......	......	......	......	482,000
Surplus for Year	863,788	278,456	501,643	1,396,768	1,259,146	†140,478
Add Prev. Surplus	6,984,106	6,705,650	6,204,007	4,807,239	3,548,093	3,688,571
Balance Carried Forward	7,847,894	6,984,106	6,705,650	6,204,007	4,807,239	3,548,093
Times Interest Earned	6.49	5.69	4.69	3.79	2.96	4.34
Dividend Record and Earnings on Capital Stock—						
Preferred Earned	296%	286%	280%	246%	188%	283%
Paid	7	7	7	7	7	7
Common Earned	$11.56	$11.20	$10.95	$9.59	$7.04	$11.03
Paid	4.25	4.00	4.00	4.00	2.00	1.00

† Deficit.

Abitibi Fibre

Wholly Owned Abitibi Subsidiary in Satisfactory Position — Bonds Held Publicly

The Abitibi Fibre Company came into being as a result of the acquisition of the Mattagami Pulp & Paper Company's assets by the Abitibi Power & Paper Company. The transaction took place early this year and was financed by a $4,000,000 issue of bonds, which was sold to the public. The bond issue was placed on the assets of the new wholly-owned subsidiary of Abitibi. The parent company owns all the preferred and common stock in the company.

About half the Abitibi Fibre's production is bleached sulphite, for which a better market prevails than for the unbleached grade of pulp. The company's pulpwood limits are located near the mill at Smooth Rock Falls, Ont., and, in addition, it is able to purchase pulpwood at low cost in the area surrounding the mills.

The company can add further bleaching equipment at small cost to convert the entire output into bleached sulphite. Surrounding the plant the company owns a well-developed and substantially built town-site.

The present 9,000 horsepower hydro-electric development which the company owns is sufficient for its current needs, but eight miles from the mill, on the Mattagami River, the company owns under lease additional water powers capable of developing a minimum of 4,000 horsepower.

At the beginning of 1927 the plant and timber limits had an appraised value of $8,458,219, and the company's working capital amounted to $1,347,978; so that its net assets amounted to $9,806,197.

The plant and properties have been well maintained and are in a sound operating condition. Since the inception of the predecessor company, a relatively small amount of wood has been cut on its own limits, as it has been possible to purchase locally a large amount of pulpwood.

Provided that there are no further recessions in the market for sulphite pulp, the earnings of Abitibi Fibre should continue to improve, for the company's bleaching equipment was only installed during 1926. It is the intention of the Abitibi Fibre Company, as and when economic conditions warrant, to develop the property as a newsprint operation. The company's wood conditions are peculiarly favorable for such a switch in its production, and power is available for the parent company's hydro developments.

Capitalization—

	Authorized	Outstanding
Common ...... No par value.	100,000 shs.	100,000 shs.
Preferred .... Par $100.	$10,000,000	$4,000,000

All common and preferred stock owned by Abitibi Power and Paper Co.

Funded Debt—

First mortgage 6 per cent. bonds due 1947, $4,000,000.

Officers and Directors—

A. Smith, pres.; L. R. Wilson, vice-pres. and man. dir.; V. E. Mitchell, W. H. Smith, sec.-treas.

Earnings—Net earnings available for interest after deducting all operating charges maintenance and repairs, but before depreciation and Dominion taxes, have been deducted as follows:

Year ended Dec. 31, 1925	$534,611
Year ended Dec. 31, 1926	700,735

E. B. Eddy Co.

International Paper May Now Own Block of Minority Stock

While there is apparently no public investment interest in the E. B. Eddy Company, there is some public interest in the company due to rumors which indicate that the International Paper Co. has acquired, not the control of the undertaking, but a very substantial stock interest in the company.

The E. B. Eddy Co. is probably one of the best known organizations in Canada, and since 1851, it has been one of the chief industries in Hull, P.Q. It is the largest producer of matches in the Dominion, but this is only a portion of its output. Eddy's has an extremely varied production, which consists of a daily output of 120,000,000 matches, 7 tons of tissue, 25 tons of board, 125 tons of newsprint, 1,000,000 paper bags, 8 tons of bags and manila, 15 tons of wrapping paper and 10 tons of book and writing paper.

The plant covers an area of some 75 acres. The raw materials that feed the mills come from timber limits covering 2,000 square miles on the Ottawa and Gatineau rivers. These limits adjoin those belonging to the Canadian International Paper Co., so that if there be any association between the two companies logging operations can probably be carried out more economically.

The mills employ some 2,500 persons and the company owns a fleet of steamboats, and in addition operates a private railway connecting every unit of its works with the main trunk railroads.

The capital stock amounts to $300,000; further financial information regarding its operations is not available to the public.

Capitalization—

Capital stock, $300,000 outstanding.
Par $100.

Funded Debt—

None.

Dividend Record—

Dividends have been continuously paid for many years; payments not made public.

Officers—Geo. H. Millen, pres.; V. M. Drury, vice-pres.; C. V. Caesar, gen. mgr.; D. Tilley, treas.; J. F. Taylor, sec. and sales manager.

Directors—G. H. Millen, D. Tilley, Hull, Que.; Victor M. Drury, Montreal; Hon. R. B. Bennett, Calgary; E. A. Fluker.

Pulp Mill Machinery

Barking Machines
Beating Engines
Cutting-up Rigs

Centrifugal Pumps
Centrifugal Screens
Chippers
Chip Screens
Cut Wood and Refuse Conveyors

Cylinder Moulds
Pulp Wood Grinders
Log Haul-ups
Sulphur Burners
Success Screens
Wet Machines

We also Build

Boilers, Hand Stokers
Saw Mill Machinery
Road Rollers and
Steam Scarifiers
Steel Tanks

Write for Full Particulars

13

Waterous
BRANTFORD. ONTARIO CANADA

85%

OF ALL
DIGESTER LININGS
IN
NORTH AMERICA

are Semco quality installations backed by Semco guarantees and service. Expert mechanics, superior materials and Semco methods assure long life and low maintenance on all linings.

Service

WE MAINTAIN an Engineering Department composed of experienced Pulp Mill Engineers, who work in conjunction with experienced Chemical Pulp Mill Operators, all of whom have served as Chemical Pulp Mill Superintendents and know the practical problems that have to be met from day to day under actual operating conditions. We are therefore in a position not only to design Chemical Pulp Mills but to select equipment to fulfill any condition or requirement in the most economical and satisfactory manner.

Satisfied Clients

Abitibi
Anglo-Canadian
Abitibi Fibre
Bathurst
Canada Paper
Donnacona
E. B. Eddy
Fraser
Fort William
Howard Smith
International
Lake St. John
Manitoba Pulp
Metabetchouan
Minnesota-Ontario
Nashwaak
Newfoundland
Price Brothers
Port Alfred
St. Maurice Valley
St. Lawrence
St. Regis
St. Anne

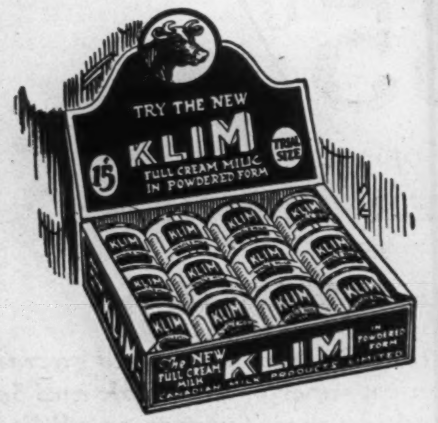
Products

Digester Linings
Acid Tower Linings
Acid Tank Linings
Blow Tank Linings
Bleaching System Linings
Stuff Chest Linings
Recovery Furnace Linings
Incinerator Linings
Acid Proof Bricks
Acid Proof Vitrified Tile
Digester Bricks
Refractory Brick
Sulphite Reclaimers
Sulphur Burners
Sulphur Melter
Bleaching Systems
Acid Accumulation Cooking Processes

Canadian Stebbins Engineering & Mfg. Co.
LIMITED
609 Drummond Building - - Montreal

St. Regis
Paper Company
of Canada, Limited

MONTREAL, P.Q.


TRY THE NEW
KLIM
FULL CREAM MILK IN POWDERED FORM
The NEW FULL CREAM MILK
KLIM
IN POWDERED FORM
CANADIAN MILK PRODUCTS LIMITED

The Counter Display Carton. A new and valuable sales help. It urges the customer to buy.

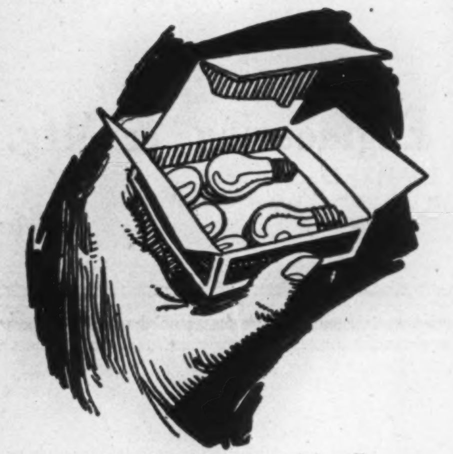
In this particular case, selling the product in small counter units is aimed at getting the customer to try the product — after which the sale of larger units is made.

Interior of a modern drug store (Wallace's, Napanee, Ont.). Note how packaged goods are prominently displayed. Packaged goods are neat and can be attractively displayed — tempting the customer to buy. A paperboard package identifies an article — resulting in its recognition and acting as a reminder to buy.

Paperboard Provides Prominence!

"Goods Well-Displayed are Half Sold"—

Paperboard is a Powerful Modern Medium of Display



Cut loaned by the courtesy of Canadian General Electric

Paperboard and the Automotive Industry! Here is another sound merchandising use of the paperboard package. The buyer is stimulated to purchase spare lamps in quantity. The package makes it convenient to buy.

INVESTORS who appreciate the wide, fundamental and increasing uses of paperboard, especially in modern merchandising, will realize the strength of the Canadian Paperboard Company in their position as leading producers of paperboard in Canada.

Some of these uses of paperboard are illustrated here. The paperboard package, the counter container, the large display card, etc., are playing a leading role in the drama of to-day's business. Paperboard boxes and shipping cases are increasingly becoming carriers of the nation's goods. Wallboard, the basis of which is paperboard, is finding greater use. Paperboard signs, replacing metal ones, lend themselves to effective, light-in-weight and economical display.

Grades of Board Manufactured:

Chipboard Newsboard
Vat Lined Board
Strawboard
Wood Pulp Board
Container Board
White Patent Coated Board
Specialities

Paperboard as used in merchandising speeds up sales through its adaptability for attractive display. It brings neatness and advertising value to a container. People buy more readily what they see pleasantly. Nor must the value of paperboard be overlooked in the sanitary packaging of many food products formerly sold in bulk.

Despite the present numerous uses of paperboard, the end is not yet. New uses of paperboard in merchandising are being continually created.

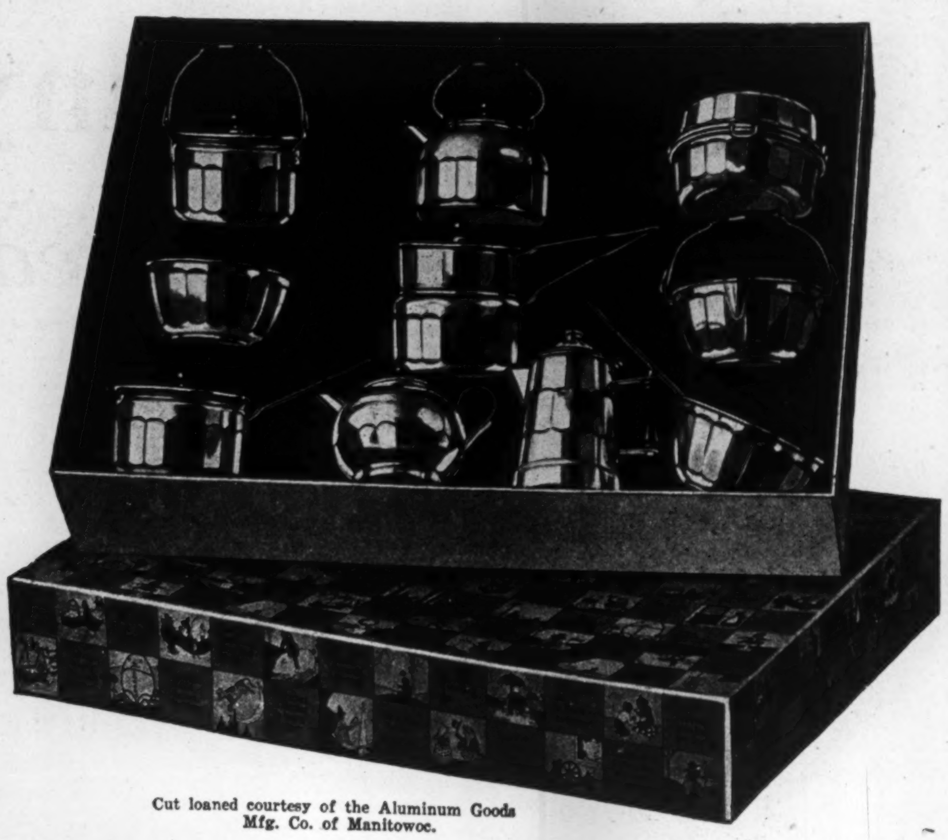
In this increasing use of paperboard in Canada, the Canadian Paperboard Company is best equipped to share.

Canadian Paperboard Company, Limited

CANADA'S LEADING PRODUCERS OF PAPERBOARD

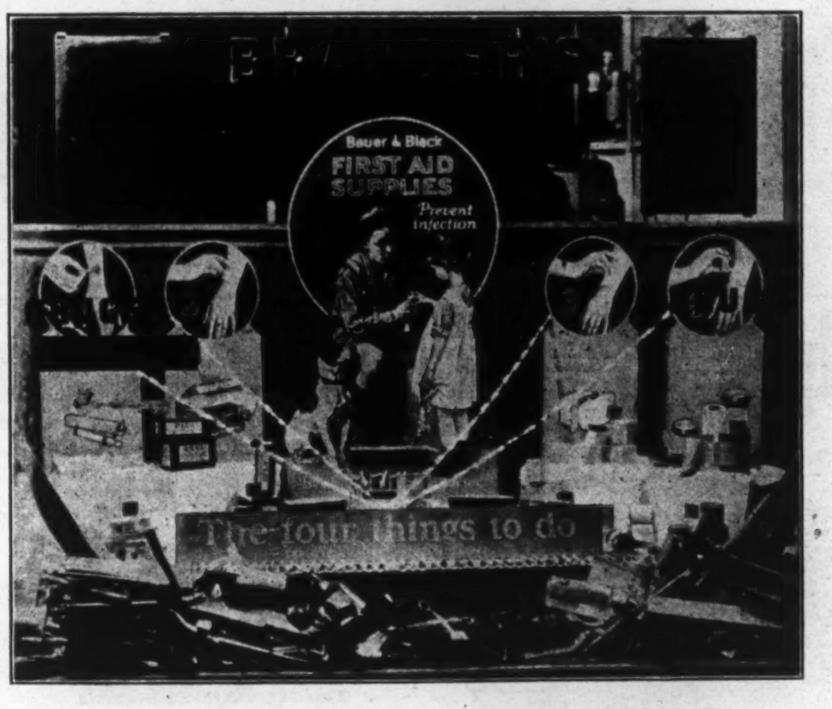
Mills at Frankford and Campbellford in Ontario
and at Montreal in Quebec. Head Office, Montreal.

J. G. G. Kerry, President; D. F. Robertson, General Manager;
Chas. E. Whitten, Secretary-Treas.



Cut loaned courtesy of the Aluminum Goods Mfg. Co. of Manitowoc.

Paperboard and the Hardware Trade! Here the paperboard box does two things well. First, it houses the toy set of kiddies' dishes staunchly and conveniently. Secondly, the carton lends itself to the reproduction of brilliant colors and entertaining pictures which allure interest, desire and sales.



Paperboard and the Window Display! (Brander's Drug Store, Wallaceburg, Ont.) Note the effective giant display cards. Nothing plays a more important part in the modern window display than does paperboard in its varying forms.

Laurentide Company

Conservative Accounting Methods Have Long Marked Steady Progress of Company — Habitually Shows Dividend Earned by Small Margin

Perhaps the best indication of the strength of the Laurentide Company may be obtained by a careful scrutiny of its balance sheet. To quote only one instance, the Laurentide Company owns some $7,200.000 par value of the shares of its subsidiary, the Laurentide Power Company.

Present market quotations for the shares of the Laurentide Power Co. gives the parent company's holdings an indicated value of about $8,000,000. But informed opinion believes that the larger power interests in the Province of Quebec would pay the Laurentide Company anything up to $10,000,000 for its interest in the Laurentide Power Co.

But whether this asset of the parent company is worth $8,000,000 or $10,000,000 at the present time is not the point. The main thing is that the Laurentide Company's balance sheet reveals no such amount amongst the assets. The fixed assets less depreciation amount to $24,245,650, but apparently the Laurentide Power stock is not included in this figure, for the balance sheet distinctly says that the figure includes only mills, buildings, plant and machinery, timber limits and real estate.

Is Carried at Low Figure

It is necessary, then, to look elsewhere to find this valuable asset. But the only other place where it could be carried is the investment account, which is shown on the last balance sheet at $4,654,836—a figure amounting to about half of the present holdings of the company's Laurentide Power stock.

In addition to its power holdings, this investment account includes other assets, so that it can be safely said that the annual report of this company provides the most conservative picture possible of its operations,

Conservative accounting methods undoubtedly explain why the company over the past six years has earned its dividends by a narrow margin. Dividends have been maintained at 6 per cent., but during the past six years, earnings applicable to the common stock were shown only once in the profit and loss account at over 7 per cent. This was in 1924, when the earnings on the common stock amounted to 7.23 per cent. In the other years between 1922 and 1927, earnings applicable to the stock have ranged between 6.06 per cent. and 6.9 per cent.

The shareholders of the company feel that an organization that could come through the terrific 1920-21 slump without making any decrease in its dividends, can easily weather the present depression in the industry. It used to be estimated that Laurentide had over 35 years supply of wood in its holdings, but during the past fiscal year it has added materially to its timber resources by various purchases.

The daily rated capacity of the mill is 375 tons of newsprint and 50 tons of pulp board. In addition to its own timber supply, the company purchases each year as much as 60 per cent. of its timber requirements from settlers.

Has Invisible Assets

The company has an invisible asset in the goodwill of its employees, who own well over 15,000 shares of its stock. The result has been that the company has a very small percentage of labor turn-over. Laurentide was the pioneer pulp and paper company to adopt reforestation methods, and owns a nursery with an output of 6,000,000 trees per year. It has another large asset in the town of Grand'mere, P.Q., where it has built up a permanent, good-looking town for the employees. That the management is keeping abreast of the mutations through which the industry passes, is seen in the fact that it operates one of the best research departments in the industry, which spends its entire time on operating problems and in testing new methods. Thus the entire plant has been practically rebuilt, and part of it has been rebuilt twice during its existence, despite the fact that liberal reserves have regularly been credited to the depreciation account. The plant has been remodelled from time to time and to-day is up to the standard of the newest mills.

Laurentide's balance sheet reveals a strong position—but the actual position of the company is much stronger than that indicated by the figures.

The Power Subsidiary

The Laurentide Power Co. was organized in 1915. It is a low cost development with extremely low operating costs. It has a present capacity of 160,000 h.p. Ultimately, it may be possible to increase this to 200,000 h.p. The parent company has a valuable asset in its power contract with the subsidiary which extends for a long term of years at a low rate.

Like the other newsprint producers, Laurentide is also feeling the effect of the present depressed position of the market for newsprint. This is one of the reasons for the recent ups and downs in the market for the stock. In view of the conservative accounting methods of the company it is extremely hard to forecast just what the results of the present slackness in the industry will be on the income account of the company.

One reason for the more or less general public interest in the Laurentide shares lies in the fact that ultimately the company might be merged with one of the other producers in the valley of the St. Maurice. It is felt that economies could thus be effected in operating costs. Perhaps such a merger will eventually take place—but the moment hardlly seems the time for any such amalgamation.

Capitalization—

	Authorized	Outstanding
Capital stock ..	$35,000,000	$28,000,000

In 1920 shareholders received three shares of new stock for each one share of old stock.

Funded Debt—

None.

Dividend Record—

On stock of predecessor company, dividends were paid as follows: Oct., 1911, 1½ per cent.; Jan., 1912, to Jan., 1917, inclusive, 2 per cent. quarterly; April, 1917, 2½ per cent., which quarterly rate was paid to and including Oct., 1918; Jan., 1919, to Jan., 1920, inclusive, 3 per cent. each quarter. An extra dividend of 3 per cent. was paid July, 1919. On stock of present company dividends have been paid at rate of 1½ per cent., quarterly, April, 1920, to date.

Officers and Directors—

Officers—Geo. Chahoon, Jr., pres. and gen. mgr.; Chas. R. Hosmer, vice-pres.; Louis Armstrong, treas.; Wm. F. Robinson, sec.; F. E. McNally, asst. sec.

Directors—Geo. Chahoon, Jr., Chas. R. Hosmer, J. W. McConnell, Ed. Hanson, F. A. Sabbaton, Com. J. K. L. Ross, George H. Montgomery, K.C., Sir Lomer Gouin, K.C.M.G., Sir Vincent Meredith, Bart.

Market Record—

Year	High	Low
1912	240	155
1913	233	140
1914	192¾	164½
1915	198	160
1916	217½	176
1917	195	152
1918	198	152
1919	276	192
	New Company	
1920	125	81
1921	95	62
1922	99	72½
1923	103½	85
1924	98⅛	79½
1925	91	75
1926	118¼	81½
1927 (to date)	110¾	90

Production—

350 tons groundwood pulp; 150 tons sulphite pulp; 388 tons newsprint and 50 tons of book, writing and other naper daily.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING JUNE 30

	1927	1926	1925	1924	1923	1922
	$	$	$	$	$	$
Net Earnings	2,776,067	3,021,868	3,061,663	3,551,590	3,167,998	2,693,154
Less: Depreciation, etc.	715,225	798,742	770,623	1,148,190	753,896	458,461
Interest Charges	313,352	316,293	381,065	318,876	424,999	440,631
	1,028,577	1,115,035	1,151,688	1,167,066	1,278,895	899,092
Net Profits	1,747,490	1,906,833	1,909,975	2,084,524	1,989,103	1,794,062
Less Appropriations—						
Common Dividends	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Surplus for Year	19,490	178,833	181,975	356,524	261,103	66,062
Add Prev. Surplus	2,467,964	2,289,131	2,107,156	1,750,632	1,489,529	1,423,467
Balance Carried Forward	2,487,454	2,467,964	2,289,131	2,107,156	1,750,632	1,489,529
Dividend Record and Earnings on Capital Stock—						
Common Earned	6.06%	6.62%	6.63%	7.23%	6.90%	6.22%
Paid	6	6	6	6	6	6

Continental Paper

Parent Company Has Difficulties, But Canadian Company Earns Profits

The Continental Paper Products is one of the largest manufacturers of paper bags and paper products in the Dominion. The company, however, does not manufacture paper. It operates a plant at Ottawa, Ont., and is a subsidiary of the Continental Paper and Bag Corporation, one of the largest manufacturers of wrapping and bag papers in the United States.

The latter company is in turn controlled by the International Paper Co., which owns 59 per cent. of its capital stock. The Continental Paper Products itself controls the Continental Wood Products Co., which own extensive timber holdings in the province of Ontario.

Canadian investors are chiefly interested in the Continental Paper Products through its bond issue, which was placed on the Canadian markets a little over four years ago. The bonds of the Canadian company are guaranteed by the parent organization in the United States, and, therefore, the issue has the backing, not only of the parent company, but also to some extent, at least, of the International Paper.

The Continental Paper & Bag Corp. has been experiencing unsatisfactory business conditions in the United States. Despite the poor showing of the parent company in the United States, it is understood that the Canadian company earns its bond interest by a substantial margin. The annual reports of the Canadian company, though, are not made public, but are consolidated with those of parent United States company, the Continental Bag and Paper Corporation. There seems to be ample security behind the bond issue of the Canadian organization.

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$750,000
Pref. 7 per cent.	750,000	725,000

The entire capital stock is owned by the Continental Paper & Bag Mills Corp.

Funded Debt—

First and collateral trust 6½ per cent. bonds, series "A," due Feb., 1943, $641,500.

Officers and Directors—

H. Elsas, pres.; L. Gosselin, vice-pres.; L. E. Bliss, vice-pres.; H. A. Miller, sec.; O. Shepherd, treas.; A. R. Graustein, I. Kuhe.

Profit and Loss—

Net earnings available for interest, depreciation and profits, taxes:

1919	$117,419
1920	152,146
1921	89,221
1922	105,089
1923	111,502
1924	139,761
1925	*26,155

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* Deficit.

Clyde & Sissiboo

The investment interest in the Clyde & Sissiboo Pulp Co. is confined to the company's $500,000 issue of bonds. The bonds were originally guaranteed unconditionally by Becker & Co., Ltd., of England, which went into liquidation.

At the present time Edward Lloyd, Ltd., of London, England, has guaranteed the issue as long as it remains in control of the company. The controlling interest in the stock is still held by Edward Lloyd, Ltd., London.

Capitalization—

	Authorized	Outstanding
Capital stock	$750,000	$750,000

Funded Debt—

First mortgage, 6½% bonds, due 1943, $470,000.

Officers and Directors—

J. R. Garwood, pres.; H. E. Wagner, mgr.; A. H. Harlow, sec.-Treas.; P. G. Denson, G. Denson, H. W. Clarke.

Properties—

Company owns and operates two groundwood mills, having an annual capacity of 13,000 tons groundwood pulp; also owns 31,646 acres of freehold lands and 44,936 acres of leasehold timber limits, situated on the Sissiboo and Clyde Rivers in Nova Scotia. Also owns two water powers in close proximity to its mills which are at present developed to the extent of 3,600 h.p. and capable of being increased to 16,000 h.p.

The United States Research Committee states that two-thirds of the annual drain on the forests is due to waste in manufacture and utilization.

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Growers of Ornamental Nursery Stock

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A large stock and an immense selection
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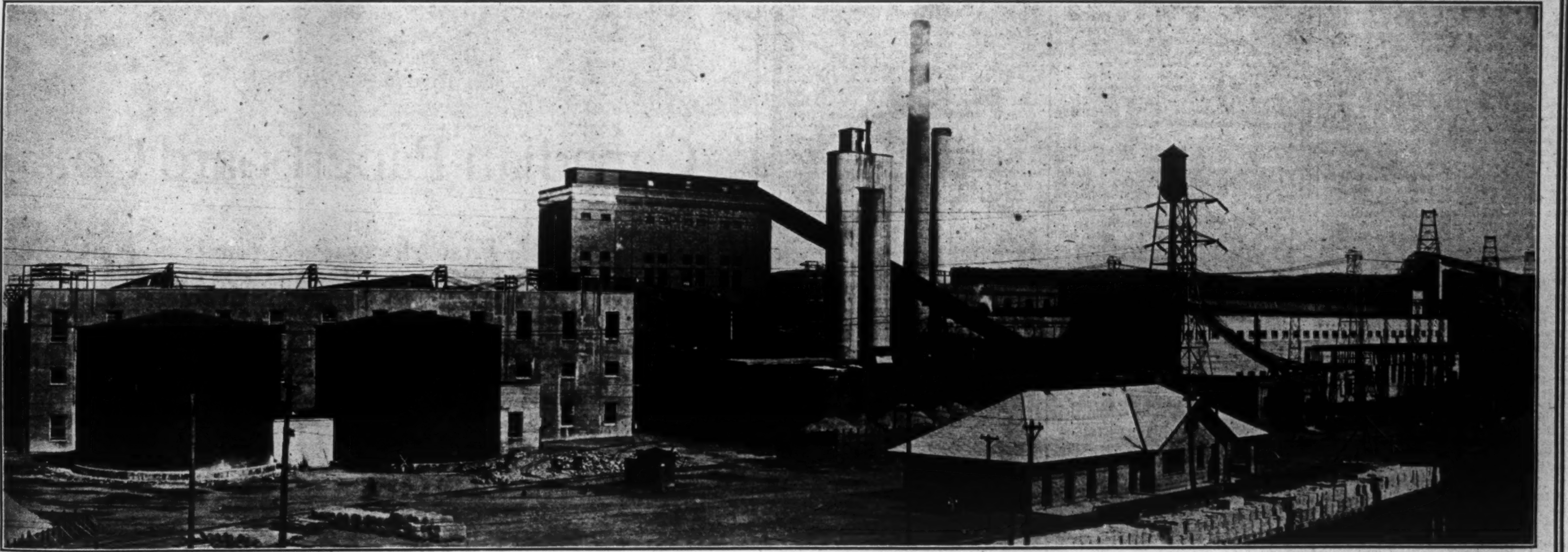

Groundwood Storage Tanks and Newsprint Mill. Sulphite Mill. Acid Towers. Groundwood Mill. Wood Stacker.

Panorama Showing Each Department of the Plant's Activities

THE expansion programme of the company was completed at the beginning of this year. The view shows the complete plant situated on tidewater at Port Alfred, P.Q., at the head of navigation of the Saguenay River. The daily rated capacity of the mills is 450 tons of newsprint paper and 150 tons of high-grade sulphite pulp. The location of the plant allows deep water shipments direct to the consumer during seven months of the year.

Adequate power at favourable rates is supplied by the Duke-Price power plant some forty miles distant. The newsprint output is sold through the Canadian Newsprint Company — the selling agency which handles about 50 per cent. of the total Canadian production of newsprint paper.

The Port Alfred Pulp and Paper Corporation, in addition to its own limits, estimated to contain 20,000,000 cords of pulpwood, owns one-third of the common shares of the Anticosti Corporation and will shortly acquire a half interest in the common shares of a new company which is about to acquire the mills and forest assets of the Quebec Pulp and Paper Mills. Thus the company has large forest assets.

The directorate of the corporation follows: Sir Herbert S. Holt, chairman; George M. McKee, president; Arthur Cross, vice-president; R. O. Sweezey, vice-president; J. H. Gundy, E. A. Macnutt and C. E. Taschereau.

The Port Alfred Pulp and Paper Corporation
Head Office: Canada Cement Building, Montreal

Dryden Paper

End of Receivership Now Said to be in Sight

All possibility of the Dryden Paper Co. passing into the hands of the bondholders appears to have passed and while the property is still in the hands of the receiver, the outlook for the future is better.

The sale of wrapping paper has always been the profitable end of the business, and losses have largely been caused through the necessity of selling sulphate pulp, which some years ago was selling at a very low price, on the open market. The sulphate market and the kraft paper market have both improved within recent years and with the bettered business conditions prevailing in Western Canada, Dryden has been able to sell a larger amount of its wrapping paper in the Dominion. The company's market, of course, is in the West.

There are rumors indicating that the next year may see the end of the company's receivership, for apparently it has turned the corner and if present conditions be maintained the end of the receivership is said to be in sight.

The company's plant is located in the Lake of the Woods area at Dryden, Ont. The capacity of the mill is 75 tons of kraft pulp and 50 tons of kraft paper per day, together with some groundwood production. Dryden develops its own water power and has timber limits of over 1,157 square miles in the Kenora district.

Capitalization—

	Authorized	Outstanding
Stock	100,000 shs.	100,000 shs.

No. par value.

Funded Debt—

First lien notes, 6 per cent. Dryden Pulp & Paper, due 1928, $804,000.

Debenture stock, 6 per cent., due 1945, $1,100,000.

Dividend Record—

No dividends paid.

Officers and Directors—

W. A. Black, pres.; F. A. Sabbaton, vice-pres.; J. H. A. Acer, R. Bell, J. N. Greenshields, K.C.; D. McLachlin, F. Perry, Hon. L. Webster, G. Chahoon, Jr.; H. Humphreys, sec.-treas.; J. M. Black, asst. sec.-treas; J. S. Wilson, gen. mgr.

Forests, Streams, Play Their Parts

(Continued from page 17)

newsprint, we can journey to the eastern provinces of Canada from the Atlantic seaboard, westward to the prairie sections, and northward almost to the Labrador coast; to Newfoundland, England's oldest colony, and to British Columbia, Canada's far western province. To the far northeast and northwest of the United States, and to a specialized section in Mexico, where the conifers are taken from the higher altitudes.

Will Expand Elsewhere

For the future expansion of the industry, our journey will be more and more confined to eastern and far western Canada, Newfoundland and the northwest United States to a certain extent, and to the Alaskan coast from its southern boundary to and beyond Juneau to the Capital. We can also extend our journey to England, France, Germany, Japan and so on, but as our interest is mainly in our own western continent, we will omit foreign travel and tour the homeland first.

Of the conifers, spruce is the species most preferred, and then balsam. Hemlock is used to some extent, and other species are included to a small extent but as long as spruce is available, it will be most eagerly sought, for its characteristics are the most adaptable, and its reduction the more easily carried out. Process will change and improve as necessity demands; hard or deciduous growths will be treated, and will make paper, as will any growth with a cellulose constituent, but while conifers are economically available, the newsprint sheets will be produced from them, unless, of course, a process so far undeveloped should allow the use of inferior growth, at as low a production cost.

With what we know to-day, wood we must have, the first essential we call it, and the second essential is water, or low cost power, and water in swift descent is the only medium so far known that can produce power in the form of hydro or hydro electric energy, at a cost allowable for producing newsprint. The fact that the wood of the species desired and water in volume and swift descent are common to the same localities, is the answer to the volume of newsprint produced at the cost it is, and is, of course, the answer to Canada's ability to produce it in ever increasing qualities, and yet at a cost that makes this volume marketable.

Wood and Water Requisites

With wood and water, or power, the first two essentials available in sufficient quantity, the minor essential of heat for drying the product and heating the plant in the form of steam has a consideration. A steam plant is essential, and where in the earlier mills, a coal fired plant was the one selection available, we now have the second selection of electric boilers, providing electric energy in sufficient volume and low enough in cost; but, in that it takes 10 kilowatts of electric energy or 13.3 horsepower to produce one boiler horsepower, and it takes roughly 19 boiler horsepower to cook, dry and heat for the manufacture of one ton of newsprint per day, we would require for 200 tons daily production, the average single unit, roughly 50,000 electrical horsepower, for steam requirements only, and at $10 or under per horsepower, it is hard for electricity to compete with coal at $8 or under per ton. Thus, the answer is coal fired plants, except in special locations where large volumes of low cost or secondary electric power are available, using the electric boiler under normal conditions for Sunday operation, where excess power is available and must be paid for whether used or not.

The coal fired plant is, therefore, the more often met with. A common figure for reference is ¾ pounds of coal per pound of production, which, on the basis of 200 tons paper per day, calling for approximately 50 tons of sulphite, would require a daily supply of 190 to 200 tons of coal, and with the total production of a single unit running two or seven times this tonnage, this factor of coal supply becomes an important issue.

Power, as spoken of in the newsprint industry, commonly refers to electric energy. Necessarily hydro electric, as the cost of any other form known to-day is prohibitive for this grade of product. Approximately 85 continuous electrical horsepower per daily ton of paper must be available, which, for a 200-ton production is equivalent to 17,000 horsepower. When we consider the larger units, say a 600-ton production from the single mill, a continuous supply of 51,000 electrical horsepower must be at hand for energising equipment, and for a new mill this power supply must be assured in advance of any other consideration except that of wood supply.

Of the two main essentials, wood and water, and the minor essential of heat, we have referred to all but the first factor, namely wood. Newsprint can be said to be entirely made from wood, neglecting the small percentage of color and alum as added before forming the sheet. It has been stated that the conifers, spruce in particular, are the raw material, and we can now say that for each ton of newsprint 1½ standard cords of these conifers, as they are felled in the forest, are rechristened paper, or for the 200 ton mill before referred to, 300 cords each day go in as wood and emerge as newsprint.

Made Entirelv of Wood

Newsprint is, therefore, practically speaking, all wood, in two forms, sulphite and groundwood, in the average proportion of 25 per cent. of the former to 75 per cent. of the latter. Both the same wood,—but one, the groundwood, without fibre, extremely fine sawdust, it might be likened to, the other sulphite, with fibre intact, all other matter removed. Groundwood for bulk with its ink-soaking or blotting propensities, sulphite, the strength giver, with its fibres interlaced to mat the whole, the first to reduce cost and absorb ink instantly, the second to withstand the strains of press and reader, forming by weight a 32 lb. sheet or 32 lbs. for 500—24 in. x 32 in. thickness, and there you have newsprint as the papermaker and pressman know it.

Sulphite, as before stated, is one of the chemical pulps, and is the product resulting from the reduction of wood chips through cooking with acid and steam, for a period varying from 7 to 14 hours, depending on the grade of pulp desired. Sulphite is the cellulose constituent of the wood, and roughly speaking, two standard cords of wood as they come from the forest yield one ton of sulphite pulp.

The cooking liquor is in reality calcium bisulphide, although often spoken of as sulphurous acid, and is produced through the combustion of sulphur forming sulphur dioxide. High towers are filled with limestone, through which water is allowed to trickle. The sulphur dioxide gas is delivered at the bottom of the tower and draws up through the limerock; the final result, calcium bisulphide, is pumped into the cooking vessel, or digester, in the proportion of approximately 2,400 gallons per ton of finished pulp, and cooked directly with steam at about 90 pounds pressure.

How Groundwood is Made

Groundwood, the other constituent, is the clean stick ground to a pulp by pressure against the face of a grindstone or pulpstone so-called, the fineness of the resulting product depending on the roughness of the stone face, and the pressure applied to the wood against this face, and this degree of fineness or quality, as it is known, is regulated through treatment of stone and regulation of pressure.

While groundwood's chief use to-day is as a filler in newsprint, and without it no such low priced grade could be produced, it is also used to a considerable extent in the lower grade book papers, and is the base of wall boards and certain grades of box board. For book-paper, it is ground exceedingly fine, for newsprint less fine, and for wall and box boards much coarser, hence the treatment of stone and regulation of pressure.

One standard cord as it comes from the forest will yield approximately one ton of groundwood, and with the proportion of 75 per cent. to 25 per cent. we have 1¼ cords actually used, with the other quarter of cord to cover bark and stock losses, or the total of 1½ cords per ton of product as previously stated.

Of the 85 electrical horsepower per ton of paper, 70 is absorbed at the grindstone and accessories in the production of groundwood—20 in producing sulphite—15 in the actual paper making, and 10 for yard and miscellaneous use, the proportion of these quantities for the groundwood and sulphite content of the sheet, together with the balance given, being equivalent to the total figure of 85 h.p.

And Then the Pulpmill

So far, this discussion has been confined to that product of nature of which paper is made, and those products which make it, and we now come to the man-made product, the mill in which nature's products are converted to the finished sheet of newsprint, which, with the world's news imprinted thereon, you buy from the corner stand.

A newsprint mill must include three manufacturing departments, a steam plant, and possibly a hydro-electric plant. The sulphite mill, the groundwood plant, the paper mill, or conversion plant, and the steam plant are indispensable, and if hydro-electric energy is not available from outside sources, a water power development is a necessary part.

You can find independent sulphite mills here, groundwood mills there, and conversion plants alone are a familiar type of paper mill in the United States for news and other grades of paper products, the pulps being shipped to the mill and the conversion processes only being carried on. The sulphite and conversion mills must have a boiler plant, for steam is indispensable in the process; the groundwood mill, however, needs only heat, and a small refuse or wood burning boiler plant is all that is necessary.

The newsprint mill in the true sense of the word, however, is a quartette of sulphite groundwood, paper and steam, and for the ideal, all under one roof, or as near under one roof as conditions will allow. The ideal is also balanced, its sulphite and groundwood departments being designed and equipped to produce and deliver at least the continuous supply of pulps, in the proportions for conversion, one-quarter, through each and every twenty-four hour day of the year, excepting Sundays and the three principal holidays, cook, grind and reel on, with no shortage in any department, is the way for all good mills, once they go into production.

Changed Use of Power

In the past, for a newsprint development, a hydro plant, including the development of both hydro and hydro-electric energy was a vital consideration, and in the earlier days when electrical development was in its infancy, direct or belted connection to water-wheel shafts was the standard type of drive, and the only one available for the greater part of the requirements.

With the advent of the synchronous motor, and general improvement in electrical transmission and devices, the energising of pulp and paper mill drives proceeded to pass from the water wheel shaft to electric motors, and the hydro power was in turn converted into hydro-electric energy to supply the motive equipment.

There is still much evidence of direct connected and belted water wheel drives in the older mills of the industry, but electrification has progressed so steadily that the news mill of to-day is electrically driven practically throughout, and this development of electrification in the paper mill has permitted radical changes in the design and location as well as in the hydro development, formerly a necessary part of the installation.

Brought Bad Locations

With direct connected or belted water wheel drives, the equipment driven was necessarily at or within driving distance of the water wheel shafts, and as the water wheels were necessarily in a more or less inaccessible place at the foot of some fall the mill itself was generally most inefficiently located in every way other than that of being driven. Again, the wheels had to deliver the comparatively low speeds required, irrespective of head, and efficiency was invariably sacrificed to meet this individual condition.

With electrification full advantage can be taken of the water power with the most efficient type of wheel—the mill can be located all under one roof—and is independent of the power development itself, except through transmission which is most elastic. Therefore, the mill of to-day is more often found taking its electrical energy from a single, or chain of independent hydro-electric developments, whose output is under contract to a number of different mills, and, while sulphite, groundwood, conversion and steam plants can be said to be indispensable to the complete mill, the power plant itself is not an indispensable part.

Making Sulphite Pulp

Returning to the mill itself, the log is cut into two or four foot length, cleaned of bark, and for sulphite chipped and conveyed to digesters. The acid plant, a part of the sulphite mill, produces the cooking liquor, which is pumped to the digester, and in direct contact with steam reduces the chips to pulp. Blown from the digester, the pulp is screened, and then dewatered to about 3 per cent., and then goes into a storage chest as deckered sulphite stock.

For the groundwood mill, the sticks as cut and barked, go directly to the grinders, and the resulting pulp is screened and dewatered to its storage chest; sulphite and groundwood deckered stock being now ready for the final process.

This final process of pumping the two pulps in their respective proportions to the mixing room of the conversion plant, mixing—adding color and alum, and delivering to the machine chest — paper stock as the mixture is now called, from which chest it is pumped directly to wet end of the paper machine.

The machine room of a modern mill often runs to 370 feet in length by 130 feet wide, and the machine itself, the paper maker will tell you, is the longest continuous machine of any industry bar none, with its three hundred foot length from breast roll, where paper stock and machine meet, to winder, where paper leaves with its tens of thousands of separate parts, both large and small, and balanced to carry the thin web of paper eighteen feet and wider, without strain or deflection, to the tune of 1,000 feet or more per minute.

On a wire screen at the wet end of the machines there is an endless length of wire mesh, running as a belt, which receives the liquid paper stock at one end, and gives it up at the other as a thin matted layer, the greater volume of its original water having showered through the fine mesh.

Then Into the Machines

Then the pulp goes over suction couches and three more presses where more water is squeezed from the stock. Then it goes on through some forty or more dryers, which filled with steam, boil out the remaining water, requiring therefore some 2½ to 3 pounds of steam per pound of paper, to accomplish the operation.

From last dryer to calender stack, the mangle of the machine of solid iron rolls, polished to a glass-like surface, one above the other, each resting on the surface of the one below, with the bottom roll weighing close to 30 tons, carry the sheet between the rolls' swiftly running surfaces, and ironed on both sides to a smooth even finish.

Reel and winder are last in line—mechanical processes these, taking the 18 foot web of paper, and reeling and winding it to 32 inch diameter rolls in which form as finished product, the paper leaves the machine room.

Problem of Ventilation

Ventilation is an important problem of the conversion plant, for the two pounds of water for every pound of paper, which is evaporated at the dryers must be confined as closely as possible, and in the form of heated vapor drawn from the machine room, as it is generated.

This two pounds of water per pound of paper, means for a 200 ton mill, some 800,000 pounds of water every twenty-four hours, or roughly 10,000 gallons, equivalent to the contents of a tank 50 ft. x 50 ft. by 5 ft. deep. Air is the medium through which it is carried, and 1,200 cubic feet of air per daily ton is a standard figure to use, or for the 200 ton mill, 240,000 cubic feet per minute for continuous input to the machine room.

With roughly 2¾ pounds of steam evaporated for every pound of paper dried, the heat units passing out with this air reach a high figure per pound of paper produced, and until recent years this heat was allowed to pass to the outer air, and constituted one of the greatest losses in paper making.

Economizers are now installed in the larger mills, these devices passing the heat laden vapors from the dryers over one side of the corrugated metal plates, and passing the incoming air over the opposite side, and thereby transferring the heat from the outgoing to the incoming supply. A saving of from 500 to 1,500 continuous horsepower, depending on the volume of paper production, is thereby accomplished, with a resulting economy in manufacturing costs.

Moving With Increased Speed

The drive of the paper machine is the second problem in the machine room, and is an important one, as each section of the machine—and there are seven as customarily arranged must be synchronized to an exact ratio of speeds, depending on the stretch and contraction of the web of paper.

The earlier drive was the continuous main shaft, with the different machine sections driven through belts and bevel gears, the speed ratio or draw as it is called, being adjusted for each section through cone pulleys.

As speed of machines increased a continuous rope drive replaced the main line shaft drive, and the sections were driven through spur gears in place of bevel gears, the draw still being adjusted through cones as with the continuous shaft drive.

The demand for greater production has called for still greater speed of machines, and the unit or sectional drive has now come into general use. In this type of drive each section of the machine is either direct from a number of motors, the one machine being controlled as one unit, and yet allowing adjustment of speed for the draw of each section. There are three types of sectional drives on the market to-day; one with control through synchronous units in combination with the direct current driving motors, and the other two through automatically controlled resistance in the shunt fields of these driving motors.

And Then Sold on Street

Of the news machines being installed to-day, the sectional drive is being specified for the greater number, for it has been found in many ways to be more efficient—it saves space, and there is no limit to the speed which can be attained by the machine driven by it.

Beyond the paper machines the finishing room receives the rolls, or sets as they are called, as they leave the winder in 32 inch diameter rolls and after being wrapped with heavier paper, go into box cars, end on, and in this finished state journey to press room, where wrappers are torn off, and rolls again put in rotation. Printed papers accumulate faster than the eye can follow, and but minutes later the newsboy calls on you to buy. From tree to newsprint, or more aptly, the daily issue of forest and stream we might call it.

The mill so far referred to has been a reference only, but let us take a mill producing four hundred tons of newsprint daily, of which there are a number in operation. Four hundred tons of newsprint call for 600 cords of wood, and 400 tons of coal, 34,000 continuous electrical horsepower and 800 men. Four hundred tons of paper in a strip one foot wide would reach a distance of 15,000 miles, or nearly three-quarters around the earth. It would cover 1,700 acres in single thickness, or three square miles. Three million tons of newsprint was produced in Canada and the United States in 1924, or 7,500 times this 400 ton production. Multiply the above squares and distances by 7,500 and the one year's production assumes proportions somewhat beyond visualization, especially when we consider that the one foot strip would go 4,200 times around our earth.

What of the Future?

There can be little question that this is a paper age, for the census of 1810 reported 200 paper mills in the United States with a total production of 500 tons of newsprint, and 2,500 tons of other grades, a total of 3,000 tons; and in 1860—555 mills with a total production of 127,000 tons. The year 1920 reported a total production of paper products for North America of 7,335,000 tons, an increase of more than 2,400 times, while the population was increasing but 15 times in this 110 years.

There will, however, be more expansion. Especially in foreign countries there is a great potential market if the following consumption per capita figures are any criterion. In the year 1920 the annual consumption per capita as indicated by the data available gives 5 pounds in Russia, 11 pounds in Japan, [illegible] pounds in Scandinavia, 45 pounds in Germany, 75 pounds in Great Britain, and 148 pounds in North America. In 1924, 150 pounds per capita of newsprint alone was consumed in the United States.

It is a far cry from the charred stick on the cavern wall, to the newspaper made from a sheet 20 feet wide at 1,000 feet a minute, and between these periods have been endless years of groping, experiments, research, and now the actual accomplishment has been carried far. What the next decade will bring forth remains to be seen, but you may be assured that it will be onward, and what I have had the pleasure of saying to you, will be but a small part of what may be told a dozen years hence, if the past be any criterion of the future.

Pulp and Paper Financing

Greenshields & Co. have been identified with the financing of many Canadian pulp and paper companies and have been the medium through which many millions of dollars have been supplied for the upbuilding of Canada's greatest industry.

The Greenshields Catalogue which analyzes the securities of some of the leading companies in the industry will be sent to any investor on request.

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PRIVATE WIRES TO ALL BRANCHES

Quebec Pulp & Paper

Soon to be Taken Over by Port Alfred and Price Brothers

The Quebec Pulp and Paper Mills are to pass under the joint control of the Port Alfred Pulp & Paper Corp. and Price Bros. & Co. Thus once again these properties begin life anew, but this time they start forward on their new career under better auspices than formerly.

The purchasing companies will incorporate a new company which will authorize an issue of 7 per cent., non-cumulative, preferred stock, to the extent of $7,000,000. Port Alfred and Price Brothers will pay $3,000,000 to the new company for its junior stock issue.

Thus, the new company will have in its treasury $7,000,000 in new non-cumulative, non-voting, preferred, and $3,000,000 in cash. The full amount of these securities and the $3,000,000 will be distributed to the shareholders of the Quebec Pulp and Paper Mills in full payment for their present holdings

How Exchange Is Made

One share of the present Quebec Pulp and Paper Mills preferred is to be exchanged either par or for new non-cumulative stock, or for $20 in cash and $70 in new preferred.

Holders of Quebec Pulp & Paper Mills preferred who also have half a share of common stock for every preferred, may exchange their holdings in units of one preferred and one half share common for either $40 in cash and $70 in new preferred, or for $21 in cash and $100 of new preferred.

Holders of preferred stock who do not notify the company prior to December 15 of the option they desire to exercise, will receive new preferred stock par for par in exchange for their holdings. From the foregoing it will be seen that there will remain over, after the exchange has been made, some new preferred stock and also some cash. The proportion of cash to new preferred will depend on just which option the preferred shareholders exercise. Whatever remains in the way of cash or new preferred will be distributed pro rata to the present common shareholders of the Quebec Pulp and Paper Mills.

Has Large Assets

The Quebec Pulp & Paper Mills own three mills, two at Chicoutimi and one at Val Jalbert, P. Q. The combined capacity of the plants is about 500 tons of groundwood pulp daily. The company owns two hydro-electric plants which generate a total of 37,500 horsepower. The company controls about 1,411,000 acres of timber limits—a large proportion of which are on freehold property.

The Quebec Pulp & Paper Mills is the outcome of the reorganization of the Saguenay Pulp & Power Co. and the Chicoutimi Pulp Co. In the reorganization, the bondholders of the former company acquired practically the entire interest in the new organization. Some of the common stock of the Quebec Pulp & Paper Mills was issued in order to eliminate the necessity of actual foreclosure proceedings on the Saguenay Pulp and Power Company's assets.

No Markets for Groundwood

The troubles of the predecessor companies and the reason for the sale of the property to new interests is directly traceable to the lack of a market for groundwood pulp. Prices for this product have been below the cost of production.

True, the company might have entered the newsprint field, but financing would have been expensive, due to the present hesitancy which exists in the newsprint market, and further timber limits would have to have been obtained from the provincial government. Consequently, it was deemed advisable to accept the offer of Port Alfred and Price Bros.

Investors may ask why, if Quebec Pulp & Paper Mills is in such a poor condition, was it purchased by Price Bros. and Port Alfred. There is the possibility that until the groundwood pulp market recovers somewhat the mills may be closed.

Attracted By Timber Limits

The new subsidiary will be able to cut pulpwood and sell it to these two companies which operate in adjacent areas. Moreover, the Quebec Pulp & Paper Mills timber limits are located close to both the mills and the timber limits of Price Bros. and Port Alfred. It seems, therefore, that it was the purchase of the timber limits rather than the mills, which attracted the attention of the two other companies.

At the moment, the outlook for the payment of dividends on the new non-cumulative stock is not particularly bright, but it is to be remembered that it is the ultimate aim of both Port Alfred and Price Bros. to obtain some revenue on their $3,000,000 investment which they have placed in the common stock of the new company. Before either of the parent companies can obtain any revenue, it will be necessary to pay dividends on the new non-cumulative preferred stock.

Capitalization—	Authorized	Outstanding
Common	$10,000,000	$7,021,803
Preferred	12,000,000	6,906,600

(7 per cent. cumulative, par $100.)

Funded Debt—

(Of subsidiary companies)

6% First Mortgage, Chicoutimi Freehold Estates, Ltd., $274,325.

5% First Mortgage, La Cie des Eaux et d'Electricite de Chicoutimi, $92,000.

Ha! Ha! Bay Land & Building Co., 5½% First Mortgage, $85,700.

Dividend Record—

None paid. Preferred dividends are cumulative and are in arrears from July 1, 1925.

Officers and Directors—

Officers—A. S. McNichols, pres.; Hon. Donat Raymond, vice-pres.; J. M. Carignan, sec'y; Rodolphe Joubert, treas.

Directors—A. S. McNichols, Donat Raymond, Hon. D. O. L'Esperance, George Simard, Rene T. Leclerc, Joseph Versailles, J. R. Boisvert, G. C. Gagne, G. Beausoleil, J. A. Prud'homme.

Income and Surplus Account
Period March 12-Dec. 31, 1926

	1926
Gross earnings	$2,467,061
Less operating expenses	2,095,288
Net earnings	$ 371,773
Other revenue	90,134
Total	$ 461,907
Less: bond interest	$ 22,237
Bank and other interest	18,696
Deprec. and depl.	198,752
Res. for taxes	6,488
Deferred charges	140,117
Net profits	$ 75,616
Add assets sold	$ 12,997
Ins. reb. and res. of Saguenay Co.	422
Total	$ 89,036
Less premium on bonds redeemed of other companies	300
Balance carried forward	$ 88,736

Building Products

Building Products, Ltd., is a purely Canadian company, and is the result of an amalgamation of two concerns, which formerly had the advantage of a definite American connection. Economies resulting from a single-headed administration and elimination of duplicated selling effort, etc., make investment in the merged concern promising, especially in periods of substantial national growth.

The foregoing, which is taken substantially from The Financial Post Survey of Corporate Securities, can be supplemented by the statement that the more recent experience of the company has been highly satisfactory. Earnings are reported to be increasing steadily.

This company's connection with the pulp and paper industry lies in the fact that it manufactures and markets roofing, wallboard and similar products which are related to the pulp industry.

Capitalization—	Authorized	Outstanding
Common "A"	$450,000	$450,000
Common "B" (Non voting)	648,600	648,600
Preferred	750,000	750,000

Funded Debt—

None.

Dividend Record—

Initial quarterly dividend of 1¾ per cent. paid on preferred stock Jan., 1926; regular payments since.

No dividends on class "A" and "B" common stock.

Income and Surplus Account
Years End: Dec. 31

Net sales	$2,287,805	......
Other income	20,832	......
Total	$2,308,637	......
Less: Cost of sales	$1,578,624	......
Expenses	400,559	......
Bad debts	26,222	......
Depreciation	93,233	......
Net profits	$ 209,999	$89,206
Less appropriation:		
Preferred dividends	$ 52,500	$13,006
*Dividends	......	35,994
Contingency reserve	43,466	......
Surplus for year	$ 114,033	$40,206
Add previous surplus	40,206	......
Bal. carried forward	$ 154,239	$40,206

*Dividends and interest of constituent companies paid prior to acquisition of these securities by the company.

International Paper

(Continued from page 20)

for a number of years are factors which tend to make the common shares less attractive to the investor who is not looking for a speculation.

The favorable factors surrounding the company include the fact that it has picked up large properties during the past three years at bargain prices, that its timber is carried on its books at a very low figure; that much of the funded debt in the balance sheet is not a charge against the company but only against its subsidiaries; that, with capital assets now carried at some $182,000,000, in the last ten years over $58,000,000 has been ploughed back into the property—$27,000,000 in depreciation and $31,000,000 into repairs to plants; that the bonded debt on the Canadian timber and Canadian paper mills is negligible, and, finally, that over the next two, three or four years, the company should be in a position to reap large earnings from its present programme of expansion.

Capitalization—	Authorized	Outstanding
Common No par value.	1,000,000 shs.	1,000,000 shs.
Pref. 7% A	$100,000,000	$47,640,300
Pref. 6% B	2,652,000	2,652,000

Par $100.

A—Of which $24,707,700 par value has been reserved for conversion of the 6 per cent. convertible debentures and $2,652,000 par value for conversion of the 6 per cent. preferred now outstanding.

B—Convertible at the present time into 7 per cent. preferred share for share on payment by the stockholder of a bonus of $10 per share.

Dividend Record—

Initial dividend of 1¾ per cent. paid on seven per cent. pref. July, 1925, regular payments since quarterly, Jan., Apr., July and Oct. 15.

Dividends on 6 per cent pref., payable quarterly, Jan., Apr., July and Oct. 15.

Dividends were paid on old common as follows; Dec., 1898, one per cent.; 1899, two per cent.; none thereafter.

On new common, $2.40 a share per annum, payable quarterly, Feb., etc, Initial quarterly dividend of 50 cents a share pair Aug., 1926; increased to 60 cents quarterly, Aug., 1927.

Funded Debt—

5 per cent. first & refunding mtge. due 1947	$17,935,000
6 per cent. refunding mtge, due 1955	22,028,000
6 per cent. serial gold notes, due 1927-1936	2,000,000
6 per cent. convertible gold deb., due 1941	25,000,000
Ticonderoga Pulp & Paper Co. 5 per cent. 1st & ref. mtge., due 1930	244,000
Ticonderoga Pulp & Paper Co. 6 per cent ref. mtge., due 1940	578,500
Riordon Pulp & Paper Co. 6 per cent 1st mtge. fund debs., due 1942	1,378,600
Riordon Purchase Money Mtge.	429,000
St. Maurice Lumber Co. 5 per cent. due 1927	12,500
Prop. pur. obligations	1,970,000
Bastrop Pulp & Paper Co. 6½ per cent. 1st mtge. sk. fund gold bonds, due 1940	800,000
Gatineau Power Co. 5 per cent. 1st mtge. sk. fund due 1956	37,500,000
Gatineau Power Co. 6 per cent. sk. fund gold deb. due 1941	12,500,000
Gatineau River Power Co. 6½ per cent. 1st mtge. sk. fd. due 1940	350,000
Total	$122,725,600

Officers—A. R. Graustein, pres.; A. Curtis, first vice-pres.; J. L. Fearing, vice-pres. and sales manager; A. H. White, vice-pres. and chief engineer; Owen Shepherd, vice-pres. and treas.; F. G. Simons, sec.

Directors—A. R. Graustein, Owen Shepherd, F. N. B. Close, Percy H. Jennings, Ogden Mills, H. C. Phipps, Ogden M. Reid, Allen Curtis, Malcolm G. Chace, Herman Elsas, John R. Macomber, R. Pagenstecher, Lansing P. Reed, Albert H. Wiggin.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	**1927	1926	1925	1924	1923	1922
Total Revenue	$7,071,551	$9,834,543	$8,212,383	$7,815,505	$8,074,577	†$1,047,128
Less: Depreciation	2,095,481	3,756,278	3,404,519	3,176,208	3,144,738	2,715,726
Bond Interest	2,224,721	2,802,982	2,195,969	938,610	962,799	962,846
Res. for Taxes	x175,000	......	61,594	x1,168,000	157,500	......
Res. for Bad Debts	......	......	......	......	......	*2,846,691
Amt. Disc. on Fd. Debt	169,096	......	......	......	......	......
Net Profits	2,407,253	3,275,283	2,550,301	2,582,657	3,809,540	†7,572,391
Less Appropriations—						
Pref. Dividends	1,457,667	2,198,471	1,979,020	1,500,000	1,500,000	1,500,000
Common Dividends	773,467	750,000	......	......	......	......
Surplus for year	176,119	326,812	571,281	1,032,657	2,309,540	†9,072,391
Add Previous Surplus	22,258,080	21,857,218	18,144,986	17,112,330	14,802,790	23,875,180
Paid in Surplus	29,750	7,450	2,140,950	......	......	......
Deduct Conting. Res.	......	......	1,000,000	......	......	......
Bal. carried for.	22,463,949	22,258,080	21,857,217	18,144,987	17,112,330	14,802,789

x Includes reserve for contingencies. †Deficit. *Inventory adjustment
**6 months ended June 30.

Earnings on Capital Stock—						
7% pref. earned	......	$11.34	$9.03	......	......	......
6% pref. earned	......	43.77	15.99	10.13	15.28	......
Common earned	......	2.15	1.14	5.16	11.58	......

CONTROL MOVES FORWARD HANDS OF FEW GROUPS

(Continued from page 17)

while taking place, act favorably on stock market prices, but which inevitably leads to over-production, coupled with market slumps. This is the exact situation which prevails to-day.

It is therefore reassuring to investors who realize that the Canadian industry is now in an over-extended position, to reflect on the ownership and affiliations of the various companies engaged in the industry. It would seem that the whole trend of the control of the Canadian newsprint industry is toward the hands of but a few individuals. And as far as the investor is concerned, the fewer the better.

The International Paper Co. and the Canadian Newsprint Company handle the sales of about 60 per cent. of the total output in this country. It may well be that further mergers in the industry will take place. The long-heralded merger between Abitibi and Spanish River appears to be in the dim and distant future still. On the other hand, consolidations have already taken place along the valley of the St. Maurice River, and it is but reasonable to presume that further consolidations will occur there if, as and when the various operators arrive at satisfactory prices in any projected deal. It may well be, though, that further consolidation in this area will not take place until such time as the situation in the newsprint industry improves.

Of the nine companies quoted as being "independents" in this article, two are located on the Pacific Coast and as such hardly can be classed as competitors of the remainder of the industry which is practically all concentrated in the provinces of Ontario and Quebec.

Two more of these mills sell their entire production to one consumer, a fifth supplies the demand for the Maritime Province newspapers. A sixth is understood to be connected with the International Paper Co., thus leaving four companies to sell their production on the open market in competition with the remainder of the North American mills.

Moreover, not one of these remaining mills has a large production as compared with the large Canadian producers, but the volume of their output, it is satisfactory to note, compares more than favorably with that of the vast majority of the U S. mills.

Thus, broadly speaking, the industry in Canada is now in the hands of three groups, namely, the Canadian Newsprint Co. group, the International Paper and the Backus-Brooks interests.

GRAUSTEIN OPTIMISTIC

President Graustein of the International Paper Co. sees continued prosperity in Canada in which pulp and paper interests will share. U. S. demand, he points out, has doubled in the last ten years, while the new rayon industry and the greater output of magazines has greatly increased the demand for sulphite pulp.

Forest industries in the United States rank fourth as a group but in Canada rank first.

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Public Utility
Securities

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"SUPERIOR BRAND"
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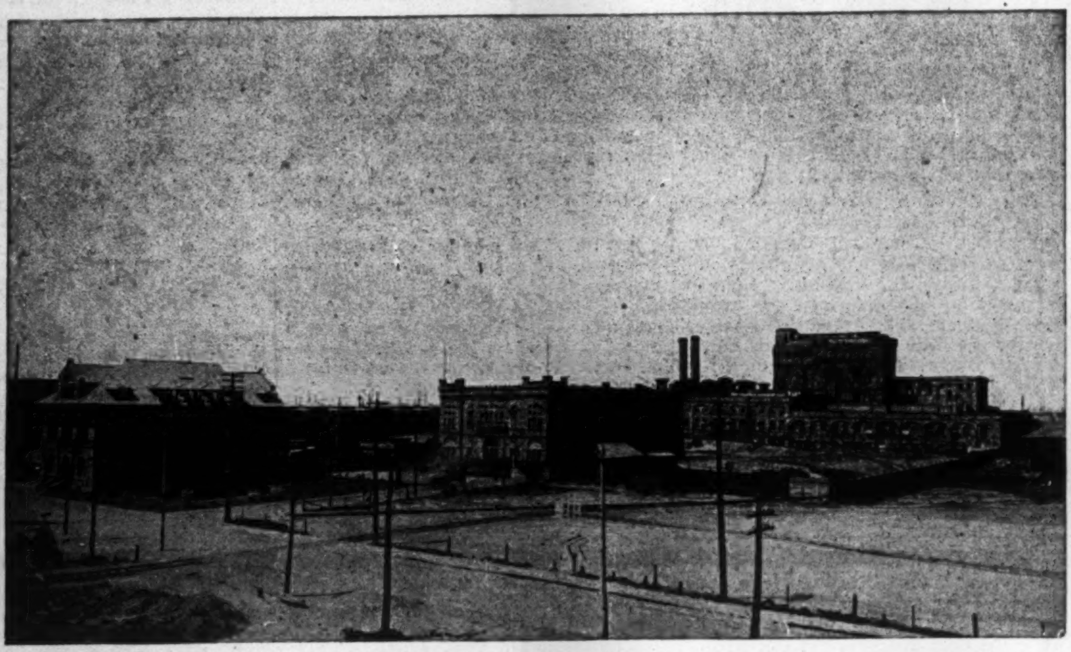


SAULT STE. MARIE

STURGEON FALLS

The Outward Evidence of an Ability to Serve

THE three big plants of The Spanish River Pulp and Paper Mills, Limited, are a visible evidence of the company's ability to adequately serve the great army of newsprint and paper pulp users.

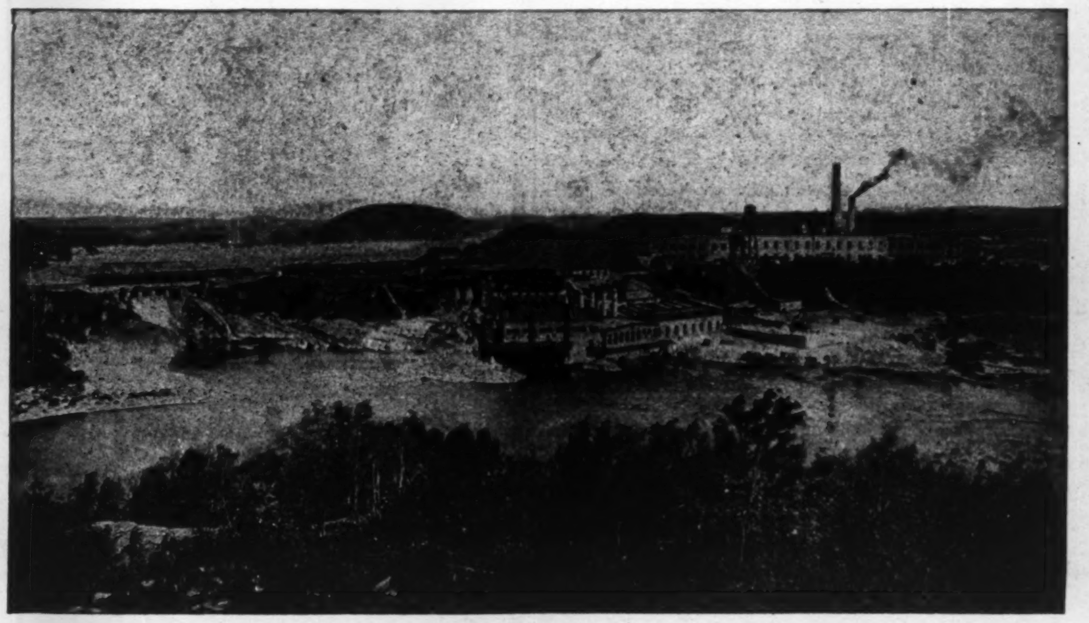
Size is certainly not the sole evidence of the ability to serve, but size, plus a soundly based reputation for conscientious and comprehensive service, such as the Company has enjoyed over a period of years, is undoubtedly a sound and safe argument that possible customers of the Company's products may well consider. The company has enjoyed a wide public confidence in the past, and it is equipped and staffed to maintain these same high standards.

The diversification of the Company's Mills makes for assurance against any of the possible contingencies that may beset the single unit plant, lending an added assurance of continuity of supply.

That this supply is adequate to meet all demands is indicated by the production figures of these plants, each of which is a mill of large proportions. The Sault Ste. Marie mill has a daily output of 250 tons of newsprint and 485 tons of sulphite, groundwood and board. The Sturgeon Falls mill produces daily 130 tons of newsprint and 230 tons of sulphite and groundwood. The Espanola mill produces a daily average of 320 tons of newsprint and 260 tons of groundwood.

The tie-up of these three great plants makes the largest producing organization in Canada dealing in paper products.

Spanish River
produces
a Daily Average
of
700 Tons
Newsprint



ESPANOLA

Spanish River
Annual
Output of
Newsprint
reaches the total
210,000 Tons

The combined plants of the Spanish River Pulp and Paper Mills, Limited, have an annual production of something over half a million tons. Some 290,000 tons of this total is represented by Sulphite, Groundwood and Board.

The Spanish River Pulp & Paper Mills
Limited
SAULT STE. MARIE, CANADA

INDUSTRY USES QUARTER OF POWER GENERATED HERE

25 Per Cent. of Hydro Power in Canada Used by Pulp or Paper Mills

It was not due only to cheap wood that the pulp and paper industry has expanded so rapidly in recent years, but due to the happy circumstance of combined low wood costs and cheap power. Without the abundant power resources of the Dominion, the pulp and paper industry would never have attained its present standing.

At the beginning of 1927 there was a turbine installation in the power plants of the country totaling 4,556,266 horsepower. Since the beginning of the year new generators have been added in both old and new developments, with the result that to-day the generative capacity of the water power plants of the Dominion amounts to some 5,000,000 horsepower. Of this figure the pulp and paper companies develop some 800,000 horsepower.

But, there are companies such as Laurentide, which own a substantial proportion of the stock of subsidiary power developments. Coupled with this many of the pulp and paper companies buy large blocks of power en bloc from the large distributing power companies. Thus to-day, there is no doubt that of the 5,000,000 horsepower generated in the power plants of the Dominion, the pulp and paper industry uses about 1,250,000 horsepower, or at least a quarter of the total hydro-electric power developed. Many authorities place the proportion at a higher figure.

Important in Newsprint

Power plays a prominent part in the production costs of the pulp and paper companies, especially the newsprint companies, where it requires about 100 horsepower to produce 1 ton of newsprint a day. Thus a newsprint mill which has a capacity of 400 tons daily requires a continuous supply of 40,000 horsepower. In addition many of the mills use surplus of off-peak power for electrical generation of steam.

It takes about one and a half cords of raw pulpwood to produce one ton of newsprint. Of this one ton of newsprint about 75 per cent is composed of groundwood pulp and the remaining 25 per cent. of sulphite pulp.

Groundwood pulp is manufactured simply by pressing pulpwood logs against huge grindstones. The power required to turn these grindstones and so to grind up the wood is enormous. Hence the need for a large supply of power in the newsprint mills. In addition power is used to operate the paper machines.

Port Alfred Pulp

Company Did Well Before Entering Full Production — Outlook Satisfactory — Has Increased Timber Resources — Always Obtained Able Management

There are great potentialities in the common shares of the Port Alfred Pulp & Paper Corp. Just how great may perhaps be gauged from a study of the 1926 income account of the company, which shows that earnings amounted to $2.30 per share on the common stock, despite the fact that the large expansion program of the company was not completed until well on in that year. In fact, during 1926, the company only operated two of its four newsprint machines.

Originally, Port Alfred was the largest sulphite producer in Canada, but during the past two years it has added four newsprint machines, with a capacity of 110 tons daily, each. Thus to-day it is both a large producer of newsprint and of sulphite pulp. When market conditions warrant the operation of the mills at capacity, earnings on the common stock should be exceedingly gratifying to the shareholders.

Has Ample Timber Limits

Port Alfred's timber limits are estimated to contain pulpwood to the extent of 20,000,000 cords. In addition, jointly with Price Brothers, it is shortly to acquire control of Quebec Pulp and Paper Mills, a company which is dealt with separately in this issue. Also, it owns a one-third interest in the Anticosti Corp. Thus, the company is assured of an ample supply of timber. The rated daily capacity of the company's mills is 440 tons of newsprint and 115 tons of sulphite pulp.

The old predecessor company of Port Alfred, the Bay Sulphite Co., was ably administered. Its successor, the present company, has maintained the tradition of the old company and Port Alfred's management remains in skillful hands.

The financing of Port Alfred has been well carried out, and in comparison with other companies which have a similar production, its funded debt and preferred share capitalization, is low. Thus, when better times once again prevail in the newsprint industry, its earnings on the common shares should be high. Port Alfred is controlled by the same group which is behind the St. Maurice Valley Corp. Thus the corporation is associated with the Sir Herbert Holt group of paper companies. Naturally, it too sells its output through the Canadian Newsprint Company. The outlook—provided that the newsprint market be maintained—is excellent.

Capitalization—

	Authorized	Outstanding
Common shares ..... (No par value)	120,000	85,449
Pref. 7% com. ... (Par value $100)	$6,000,000	$6,000,000

Funded Debt—

1st mtge. 6½% bonds "A" and "B", due 1943 .... $5,750,500

6% deferred notes. Outstanding $2,730,000, collaterally secured by 6% income debentures, due 1954.

Timber Supply—

Company itself or through subsidiaries owns 50,000 acres of freehold timber and controls under lease from the Province of Quebec, 2,472 square miles of timber areas.

Production—

135,000 tons newsprint per annum and 34,000 tons high grade sulphite pulp.

Officers and Directors—

Sir H. S. Holt, chairman of board; G. M. McKee, president; A. Cross, 1st vice-pres.; R. O. Sweeney, vice-pres.; E. A. Macnutt, J. H. Gundy, C. E. Taschereau, A. Wagner, sec-treas.; G. W. Hodgson, comptroller.

Dividend Record—

Preferred 7% per annum, payable quarterly March, June, Sept. and Dec. Initial dividend of $1.75 per share, paid September, 1925.

No dividends have been paid on common.

Income and Surplus Account—
(Years Ending December 31)

	1926	1925
Gross earnings	$1,260,930	$921,935
Less operating expenses	119,990	63,519
Net earnings	$1,140,940	$858,416
Less:		
Reserve for depr. & depl.	260,363	239,358
Bond and bank interest	381,825	305,965
Net profits	$498,752	$313,093
Less appropriations:		
Pref. dividends	$222,122	$47,945
Surplus for year	$276,630	$265,148
Earnings on Capital Stock—		
Preferred earned	8.31	15.49
Paid	7	7
Common earned	2.30	2.86
Paid	.	.

Brown Corporation

Preferred Stock in Investment Class and Changes Hands at About Call Price

The Canadian investment interest in the Brown Corp. is confined exclusively to its issue of preferred stock. The preferred shares may be classed as a high grade investment, for all of the outstanding bonds on the property were redeemed a year ago. Thus, the preferred stock is a first charge on the assets, on which current rumor places a value of some $15,000,000. The preferred stock changes hands usually at about the call price of the stock.

The corporation is one of the largest producers of sulphate pulp in Canada and all the common stock is owned by the Brown Co.—the largest manufacturer of bleached sulphite fibre pulp and kraft wrapping paper and allied products in the United States.

The entire output of the Canadian company is sold to the parent company, which, incidentally, is also responsible for the payment of preferred dividends and sinking fund requirements of the subsidiary company.

The Canadian corporation owns and operates a sulphate mill at La Tuque, P.Q. In all, it controls some 5,000 square miles, conservatively estimated to contain 12,000,000 cords of pulp.

Develops Many By-Products

The company has gone in extensively for the economic development of chemical by-products of pulp manufacturing. It is manufacturing turpentine from the waste sulphite liquor which is not utilized in most mills, and produces many other by-products which elsewhere go to waste.

Brown Corporation is certain to invest many more millions of dollars in Canada in the next few years. Its present plans call for the gradual expansion of its American mills along the line of chemical production, and its extension along the line of pulp production will take place in Canada. While only sulphate pulp is now produced at La Tuque, it seems likely that sulphite pulp will also eventually be produced there.

In addition to its rated mill capacity of 240 tons of kraft pulp daily, the corporation has a daily output of 80,000 feet of lumber.

Capitalization—

	Authorized	Outstanding
Common	$10,000,000	$9,000,000
Pref. 7% .... (Par $100)	2,000,000	2,000,000

Entire stock owned by Brown Co.

Funded Debt—

None. All redeemed Sept. 15, 1926.

Dividend Record—

Dividends on preferred regularly paid quarterly, Feb., May., Aug. and Nov. 15.

On common, 3¼% paid in 1926.

Officers and Directors—

H. J. Brown, president; O. B. Brown, treasurer; W. R. Brown, D. P. Brown.

Production—

240 tons of pulp and 80,000 ft. of lumber daily.

Spruce Falls

New York Times Will Absorb 50 Per Cent. of Company's Output

The Canadian investment interest in the Spruce Falls Power & Paper Company is confined to its $13,000,000 issue of bonds. The company's properties consist of a 115 ton daily capacity sulphite pulp mill and a 2,500 h.p. hydro-electric plant. But the sulphite pulp mill is being increased to a capacity of 230 tons daily, and a newsprint mill of 550 tons daily capacity is being built.

The bond issue is secured by present assets having a value of $22,000,000 and a value of $37,000,000 when the additions to the plant are completed.

The bonds are further secured by a mortgage on the contract for the sale of the plant's surplus sulphite production to the Kimberly Clark Company and also by a mortgage on its contract to sell to the New York Times Company that paper's standard newsprint requirements, which, based on present consumption, amount to approximately 50 per cent. of the ultimate capacity of the new mill.

Owns Large Water Powers

The company owns water powers with a potential capacity of 140,000 horsepower, and is now erecting a power plant with an installed capacity of 56,000 horsepower. The Spruce Falls Power & Paper Company's pulpwood rights cover about 4,700 square miles of timber limits and are estimated to contain some 10,500,000 cords, or sufficient to meet the maximum requirements of the mills for 35 to 40 years The stock capitalization is owned by the Kimberly Clark Company and the New York Times.

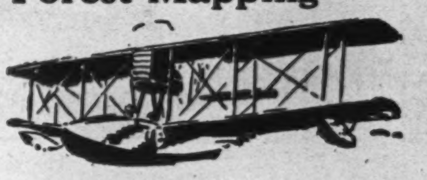
The project will be completed in July, 1928.

COVERED 49,000 MILES

The aerial photographic method of mapping has proven itself particularly adaptable to Canadian mapping needs. By this method alone the Topographical Survey, working in conjunction with the Royal Canadian Air Force, and provincial survey officials particularly in Ontario and Quebec, last year covered 49,000 square miles of territory, an area which by other methods would represent many years' work and tremendous expense.

IMPORTANT TO B. C.

The forests of British Columbia yield an annual revenue to the provincial treasury of $3,500,000, or approximately one-fifth of the entire revenue. The lumbering industry pays annually in wages the sum of $50,000,000. This means that one man in every four is dependent on this industry for the livelihood of himself and family.



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Canadian International Paper Co. — 8 machine mill, Three Rivers.
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Canadian International Paper Co. Chelsea and Farmers' Rapids Hydro-Electric Power Stations.
Manitoba Paper Company, Pine Falls, Manitoba.
St. Annes Paper Company, Beaupre, Que.
Spruce Falls Power and Paper Co., Kapuskasing, Ont.
Lake St. John Power and Paper Co., Lake St. John, Que.
Port Alfred Pulp and Paper Co., Port Alfred, Que.

This is the Comstock job organization at the new plant of the Canadian International Paper Company, Gatineau, Que.

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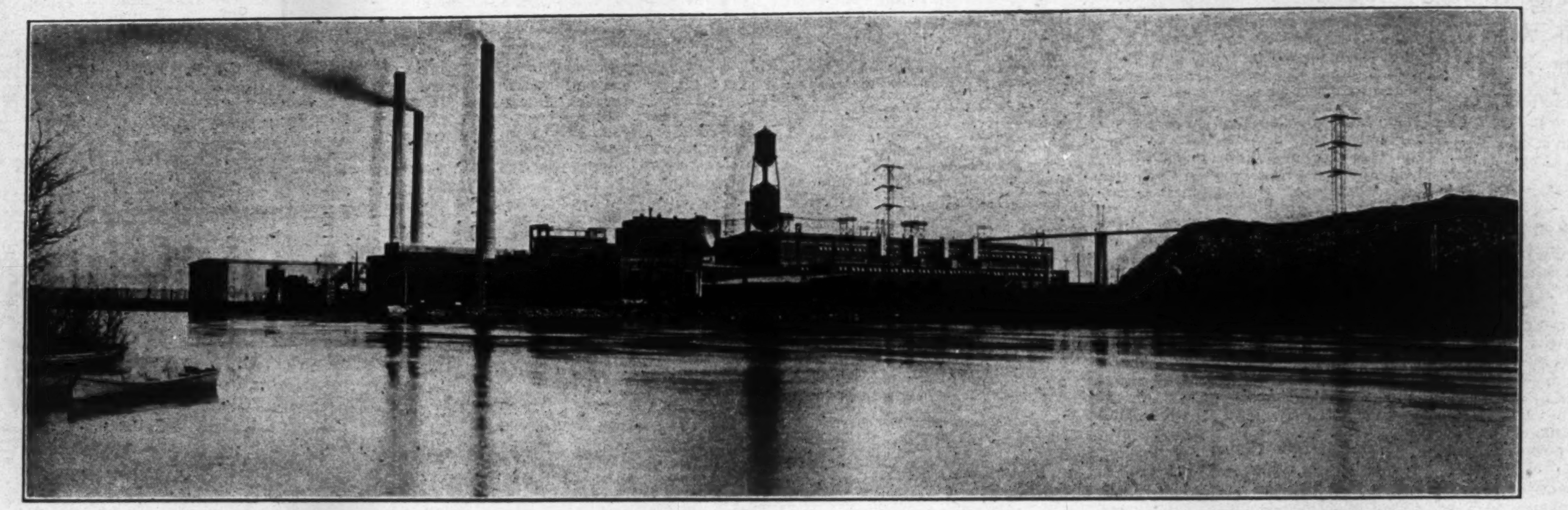

The mills of the Wayagamack Pulp and Paper Company on Wayagamack Island at the mouth of the St. Maurice River where it joins the St. Lawrence.

THE Wayagamack Pulp and Paper Company was incorporated in 1910. From a small sulphate pulp and kraft paper mill, the organization has grown until today its plant is the largest single producer of kraft in the world. In addition the company has a large newsprint output. The present rated daily capacity of the mills amounts to 200 tons of newsprint, 120 tons of kraft paper and a surplus production of sulphate pulp of 120 tons.

Pulpwood to feed the mills comes from the Wayagamack's own timber limits which cover an area in excess of 2,000 square miles. The greater proportion of these limits are located on the watershed of the St. Maurice River, with other areas on the north and south shores of the lower St. Lawrence. In addition, the Wayagamack Pulp and Paper Company owns one-third of the common shares of the Anticosti Corporation. This subsidiary serves as another source of supply of raw material.

Wayagamack Island, on which the mills are located, is situated at the confluence of the St. Maurice and St. Lawrence Rivers. The island is on the deep water channel of the St. Lawrence. As the company has its own tidewater docks, it can be seen that the plant is strategically located, providing facilities both for water shipments to domestic and foreign markets during seven months of the year and for the economical handling of the company's wood supply. Coal, chemicals and other raw material requirements also come to the plant by ship. Thus Wayagamack's location alone assures low overhead costs through low transportation costs.

Wayagamack has excellent railway facilities, an abundant supply of steady and industrious workmen, a strong selling organization reaching out to all sections of the globe — and the whole operated under the direction of an efficient organization directed by capable management.

Wayagamack has built up a community surrounding its plant where picturesque cottages are obtainable at low rental by the employees. The company has made the welfare of its workers its chief concern; the results of this policy are seen in the fact that there have never been labour troubles on Wayagamack Island.

Wayagamack's growth is largely traceable to the reinvestment of earnings over many years. The extent of its foreign business in kraft paper may be judged from the fact that some 60 per cent. of its kraft paper production finds a ready market overseas — in the United Kingdom, in the British possessions, in Europe and in the Far East.

Originally the greater proportion of the total output of the mills was sold as pulp. But more and more uses are constantly being found for kraft paper. Thus steadily the company is increasing the proportion of its sulphate pulp output which is turned into kraft paper in its own mills. The further manufacturing process naturally adds to the profits from the company's operations.

The diversification of output tends to lower overhead and to stabilize the earning power from Wayagamack's large assets.

The Wayagamack Pulp and Paper Company operates under the following officers and directors:

Officers

C. R. WHITEHEAD, President and General Manager.
JAMES W. PYKE, Vice-President.
F. I. RITCHIE, Manager.
GEORGE HENDERSON, Comptroller.
D. L. ADAMS, Secretary-Treasurer.
R. COLLINS, General Superintendent.

Directors

C. R. WHITEHEAD, J. W. PYKE, HUGH MACKAY, K.C., G. H. DUGGAN, ALEX. MACLAREN, N. J. DAWES, J. F. TAYLOR.

Wayagamack Pulp & Paper Company

Limited

Three Rivers - - Quebec

Export Distributors

CANADIAN KRAFT LIMITED

THREE RIVERS, CANADA

CABLE ADDRESS: — CANKRAFT

With following Agencies:

UNITED KINGDOM
Hodge-Sherriff Paper Company,
London W. C. 2

FRANCE
Paul Maynard,
Paris

BELGIUM
De Tournay-Catala & Fils,
Bruxelles

SOUTH AFRICA
W. H. Smith & Co., Ltd.,
Capetown and Durban

AUSTRALIA
KRAFT
Costello & Spicer,
Sydney
NEWSPRINT
Edwards Dunlop & Co., Ltd.,
Sydney

U. S. A.
Pulp & Paper Trading Company,
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New York

NEW ZEALAND
Th. De Schryver Limited,
Auckland

INDIA
Lendrum Limited,
Bombay, Calcutta, Madras

JAPAN
Lendrum Limited,
35 Naka-Machi, (P.O. Box 222),
Kobe

CHINA
Bradley & Co. Limited,
Shanghai and Hong Kong

SWITZERLAND
J. Bachtold,
Paris (9E)

Section Two Featuring Pulp and Paper Industry — Pages 33 to 48

THE FINANCIAL POST

PUBLICATION OFFICE: TORONTO, SEPTEMBER 30, 1927

Newsprint Stocks Gain Favor as Autumn Sees Increase in Production

No Assurance That Present Levels Will be Maintained, Although Investors Will Naturally Anticipate Future

All informed opinion backs up the mute evidence of statistical figures, that the newsprint industry on this continent is in for a period of reduced activity. Some at present unanticipated factors may enter into the situation to increase the use of newsprint in the United States very largely. But the possibility of such a development seems remote. Thus there is many a holder of common stock in a newsprint company in Canada to-day who is unable to decide whether he should retain his newsprint holdings or sell them.

But the investor will have to make his choice, whether to hang on to his stock or to sell it. And it is certain that a better choice can be made when the holder of such securities is in full possession of the facts surrounding the outlook for the newsprint stocks.

Immediate Future Course

Regarding the immediate future market course of the newsprint securities as a group, conservative opinion and the opinion of those actually in the industry itself, believes that newsprint stocks may sell lower before they sell higher. But they probably will not sell much lower unless the whole market declines. The investor can be sure, though, that if the New York Stock Exchange experiences any real decline, such a decline would probably be more than proportionally felt by the newsprint securities on Canadian exchanges.

And there are many who feel that the spotty business conditions which prevail in the United States this year, will ultimately bring about market declines.

What the Future Holds

The rated daily capacity of the newsprint mills on this continent amounts to 15,147 tons, of which Canadian mills contribute 8,420 tons. The mills are operating at about 82 per cent. capacity, and are producing from machines with a rated daily capacity of 15,147 tons only some 12,660 tons—the average daily production for this year. How soon will the consumption of newsprint catch up with the production? It depends on many factors, chief of which, of course, is the general business situation in the United States. To obtain some idea, though of what the long trend holds, it is necessary to see the annual percentage increases in the consumption of newsprint in past years. These figures since 1904 follow. As consumption and production figures are practically identical, production figures have been used:

Annual Increase in the Output of Newsprint in North America

	per cent.		per cent.
1904-1909	8	1919-1920	10
1909-1913	6	1920-1921	—15
1913-1914	4	1921-1922	24
1914-1915	nil	1922-1923	9
1915-1916	11	1923-1924	3
1916-1917	6	1924-1925	8
1917-1918	—2	1925-1926	17
1918-1919	9	1926-1927	*nil

—Reduction.

*Todate.

Increase of 7 Per Cent.

From the foregoing it will be seen that including the decreases in 1918 and 1921 there has been an average increase in the consumption of newsprint, during the last ten year period, of 6.9 per cent.

There has been no increase, or practically no increase in the consumption of newsprint this year. Thus, if the trend of the past ten years be maintained in 1928, there would be an increase in that year of about 14 per cent. in the consumption.

Such an increase in the consumption of 1926 would bring the average daily consumption to around 14,000 tons, a figure still below the rated capacities of the Canadian and U. S. mills. In addition, further newsprint machines are being brought into production. In the ensuing nine months the tonnage of the newsprint plants will be increase by 1,300 tons a day. Here is a list of the mills which will shortly enter, or which will increase their output:

	Tons per day	To Begin Production
Anglo Canadian	250	Dec. 1927
Lake St. John	200	Dec. 1927
Price Bros.	200	Dec. 1927
Thunder Bay	100	June 1928
Spruce Falls	550	July 1928

Two Years Depression

It is on these and other figures that newsprint executives are all looking forward to a period of at least two years of much reduced operations.

In 1926 the newsprint mills were all operating at practically full capacity. It is felt that earnings cannot fail but to be reduced materially with the lower scale of operations now prevailing and likely to continue.

But more favorable factors enter into a consideration of the industry at this point. In the fat years between the end of 1921 and 1926 the newsprint companies all did remarkably well. Moreover, it is thought that while the companies showed large profits, there were still larger profits which were concealed and piled up against the lean times which now prevail. Thus, the balance sheets of practically all the newsprint companies reveal immensely strong cash positions, quite sufficient to carry them through even a 20 to 30 months' period of more or less depressed conditions in the industry.

Ultimate Future Looks Bright

That the ultimate future looks bright, exceedingly bright, cannot be doubted. The fundamental and underlying position of the industry is sound and it has a vast and growing market at its door. The ultimate future prospects are dealt with at considerable length elsewhere in this issue. But there is many an investor who is perhaps at the moment uncertain whether he would be wise in waiting, say, two three four or five years, to obtain what now appears to be an almost sure ultimate reward.

The statistical figures shown elsewhere in this issue show that the total daily rated capacity of the U.S.

(Continued on page 37)

Newsprint Price Has Variations

Jumps from $38 to $130 and Back to $65

It is interesting to review the fluctuations in the price of newsprint paper since prewar times and to note that the peak which was attained in the postwar period was exactly double the present price, or $130 a ton.

In 1914 newsprint sold at around $38 a ton, and in 1915 the prevailing price was around $40. In 1916 it rose from $40 to $50, and in 1917 from $50 to $55. In 1918 prices were controlled by the Government at $57 and $66, with further increase to $69 for 1919. A sharp rise in 1920 carried the price up from $80 to $100 and then to $110, from which there was a jump to the peak level of $130, which prevailed in the first quarter of 1921.

That this was excessive is evident from the fact that it dropped to $110 in the second quarter, to $95 in the third quarter, and to $80 in the fourth quarter of the same year. In 1922 the prevailing price was $70 with a rise to $75 in 1923. This was the only upward movement since first quarter of 1921. In the second half of 1924 the price fell to $73 and to $70 in 1925. In June, of last year, the talk of a renewal rate for 1926 at $65 a ton was heard and this price was announced by a large Canadian producer. During 1926 the price has been $65 a ton, and this is the price at which paper is now offered on contract this year and probably next.

CANADA MAKING MORE THAN THIRD OF NEWS OUTPUT

U.S. Stands Second in the Figures of World's Production

LARGEST EXPORTER

World More and More Depends on Canada for the Raw Material of Newspapers

Canada is the largest producer of newsprint in the world. The mills of the Dominion produce more than one-third of the total world production. During 1927, The Financial Post estimates the world production of newsprint, as follows:

	Tons
Canada	2,420,000
United States	1,500,000
Great Britain	610,000
Germany	495,000
Sweden	231,000
Japan	220,000
Finland	190,000
Norway	187,000
France	145,000
Newfoundland	140,000
Netherlands	60,000
Czechoslovakia	
Austria	100,000
Italy	50,000
Belgium	65,000
Spain	55,000
Fussia	45,000
Poland	18,000
Mexico	15,000
Total	6,126,000

Doubles in 10 Years

Within 10 years Canada's output of paper has been doubled and the Dominion has become the world's largest exporter, as well as producer of newsprint. The rise of this gigantic new factor in the commercial life of the country is another proof of our Dominion's youthfulness and capacity for growth.

Possibly at first glance, the production of newsprint and paper does not seem to warrant a legitimate place amongst the basic industries of a country. But try, for a moment, to conceive of any situation, however drastic, which would cause mankind in general to forego the daily paper. Is such a thing possible? Has not the production of newsprint become the supplying of a necessity to modern life? Rain or shine, drought or flood, however fashions may change, the newspaper must be made and printed and delivered to its waiting millions. And is not the conversion of our forest into paper truly a primary or basic industry.

To buy its newsprint, or the raw material for it, the world turns increasingly to Canada. The possession of enormous forest resources is part of our heritage. Our forest lands occupy roughly one-third of the surface of our Dominion.

Not only are we fortunate in the possession of such assets; there is also

(Continued on page 41)

Pulpwood Exports Are Very Largely Prohibited

May Only be Exported from Private Holdings — Only 25 Per Cent. of Production Now Exported — Domestic Mills Use Larger Proportion of Output

While the pulpwood embargo, or export tax on pulpwood, is practically a dead issue, yet the production and export of pulpwood from the Dominion give an interesting sidelight on the situation surrounding the pulp and paper industry as a whole.

Some years ago it was suggested that a tax be placed on pulpwood exported from the Dominion, or that the export of raw pulpwood be entirely prohibited. Such action would, of course, have limited the market for pulpwood and consequently it was strongly opposed by farmers who depend on their wood lots for a definite annual income, and also by timber interests which had been cutting and exporting a portion of their pulpwood cut.

It was pointed out that if the United States could not obtain its pulpwood supplies from Canada it could obtain them from the Scandinavian countries, and it was pointed out also that there was no more reason for an embargo on Canadian pulpwood than on other raw products such as lumber or wheat. For these and numerous other reasons, the pulpwood embargo question is dead. Incidently pulpwood can not be exported from crown lands which have been leased. Thus pulpwood exports come only from lands which are held in fee simple.

Larger Percentage Manufactured

The exports of pulpwood from the Dominion have increased during the past 20 years. But broadly speaking, they have increased only marginally. Twenty years ago, 64 per cent of the total pulpwood cut from the Canadian forests was exported, the remaining 36 per cent. being used for further manufacture in Canadian mills. Although the amount of pulpwood exported has increased a little since 1908, the amount exported now of the total cut is some 25 per cent., and the amount used in domestic mills is 75 per cent. of the total production.

In other words, in 1908, about two-thirds of Canada's cut of pulpwood was exported to the United States, and in 1926 only about one-quarter of the total cut was exported to the States. The United States is, of

(Continued on page 41)

Paper Supply Needs Train 1,000 Miles Long

It is hard to visualize the magnitude of the market which prevails for Canadian newsprint south of the 45th parallel. Perhaps the clearest illustration of the amount of newsprint consumed in the United States annually may be judged from the fact that it would require a freight train 1,000 miles long to transport in one load the annual consumption of that country.

A wood pile one mile square and 23 feet high would be used in making this paper.

AIRPLANES LOWER COMPANIES' COSTS

Machines Make Forest Inventories at Low Cost—Fight Fires Also

Canada leads in the world in the employment of the airplane in the protection of the forest. An idea of the important part played by birdmen in safeguarding the Dominion's forest wealth may be gained by visualizing a stretch of timber fifty miles wide stretching from Montreal to Vancouver, this would represent the actual area of forest land patrolled by aircraft in various parts of Canada during the past season.

Two types of airplanes are used in the service, single seated planes fitted with wireless for detection work, and heavier flying boats capable of carrying several men with pumps and hose for actual fire fighting. Thirty aircraft were employed in forest protection work during the past year, the aviators putting in 4,416 hours of flying during that time, and patroling an area of 150,000 square miles in daily flights.

Canada has not only taken the lead of the world in this phase of aviation but has also taken the lead in the employment of the airplane in aerial survey work, and the transportation of supplies to remote and inaccessible regions in her vast hinterland.

Transport and Photographs

Canadians have employed the airplane in photographing over 100,000 square miles of timber or mineral lands during the past two years, and the demand for maps produced from air photographs has been such that the Air Service have been unable to keep pace with it.

In transportation work the great advantage possessed by the airplane over the primitive canoe is readily apparent. Swift-flowing rapids, and long portages which offered countless difficulties in the past, offer no difficulties to the aircraft, and supplies may be rushed to remote depots in a few hours by plane, which would have required days and weeks by the water route.

The particular advantages which the pulp and paper companies obtain from the use of the aeroplane are varied; but in mapping alone the plane saves many times its cost of operation.

By bringing back reliable information on vast northern areas, it has done much to disillusion us as to unlimited supplies of softwoods and to establish a sounder working basis for forest policies. If this were all, it has been justified; but it has also saved many thousands of dollars and a great deal of time to those actively interested in forest inventories.

Costs Are Very Low

It should be explained that an aerial forest sketch map is not a standardized product, any more than is a for-

(Continued on page 41)

Mills Take Steps to Insure Wood Supply for Future Use

Annual Cut is Equal to More Than Twice the Natural Regrowth—But Natural Increment of Forests Will Prolong Life of Forest Industries Somewhat

SITUATION IS UNDOUBTEDLY SERIOUS

But Foresters on Insufficient Data Now Available Refuse to Make Definite Predictions of the Expected Duration of the Life of Canadian Forests — New Conservation Policies Are Needed

Canada has standing in its forest but a 30 year supply of pulpwood. Industrial progress in Canada is largely dependent on the pulp and paper industry as it is the largest single industrial effort in the Dominion. The pulp and paper industry is entirely dependent upon its forest assets. Thus, with only a 30 years' supply of standing timber in its forests, the situation facing the Dominion is, to say the least, serious.

To say that there is but a 30 years' supply of pulpwood in the forest resources of Canada does not necessarily mean that at the end of 30 years the pulp and paper industry will be dead or moribund, because there is a natural regrowth of the forests which will prolong the life of the industry. Competent foresters feel, though, that natural increment of the forest only amounts to one-third or, at most, one-half of the present annual amount of pulpwood cut.

Total Pulpwood Resources

The total Canadian pulpwood resources—not forest resources, which would include many other kinds of wood—may be summarized somewhat as follows:

Total Pulpwood Resources

	Millions of cords
Total pulpwood stand	1,418
Inaccessible timber	788
Unsuitable varieties	194
	436
To to made accessible, say	164
Total actual resources	600

Annual Pulpwood Consumption

	Millions of cords
By pulpwood cut	4.5
By lumber cut	4.5
For fuel, mining, ties, etc.	3.
By fire	5.
Insects, decay, etc.	5.
Total annual consumption	22.

By dividing the total annual pulpwood resources of 600 million cords by the total annual consumption of some 22 million cords, it will be seen that the pulpwood resources of the Dominion are equal to only about 28 years' supply at our present rate of consumption. Moreover, the rate of consumption is growing larger, much larger, annually.

Decay is Great Evil

From the foregoing table it will be observed also that by fire, insects, decay and other evils which befall the forest, almost as much pulpwood is lost annually as by the pulpwood taken out for commercial purposes. It will be seen, too, that the pulpwood resources are being depleted at the rate of about 3 per cent. per annum, and it is particularly significant that forestry experts figure that the annual increment in the 600 million cords of standing pulpwood amounts to perhaps only 7 million cords annually and certainly not more than 10 million cords. In other, words through fire, commercial cutting and other causes, more than twice as much pulpwood is taken away from the forest as is added by natural growth.

From the foregoing it can be seen why foresters and others interested in the pulp and paper industry are worried about the future. There is one satisfactory point, though, about the situation, and it is that competent forest men do not feel justified from what data are available in making any definite prediction as to the life of the forest. But it is evident that the situation is sufficiently serious to warrant taking immediate and definite steps leading to the perpetuation of the forests from which the Dominion draws so many material blessings.

Resources Were Squandered

To date Canada has been squandering her forest resources with abandon. Estimates have been made which indicate that only 27 per cent. of the original forest is left. Of the remaining 73 per cent., 13 per cent. has been cut, and 60 per cent. destroyed, chiefly by fire, but in part to make way for settlers.

It seems certain that for a few years more the reckless waste of the forest may be continued without vitally injuring the industry but it is certain that in only a few years time the wood-using industries will be dependent, not on virgin growth, but on the annual increment of the forests.

It is both impossible and inexpedient to curtail the present industrial use of pulpwood and therefore other means must be taken to assure the continued life of the forest. The most obvious way of attacking the problem is to reduce the fire losses. At the present time the Dominion is spending less than 25 cents for every $100 in standing timber—and the latter figure does not include the young growth, and is figured on an extremely conservative basis. Obviously the sums spent at the present time on forest conservation are ridiculously inadequate and out of proportion to the importance of the risk.

Fires Still Continue

Moreover, it can be truthfully said that, while over the past few years increased expenditures have been made for forest protection, yet the increased expenditures have hardly kept pace with the increased fire hazard due to enlarged logging operations, increased settlement and the all round greater use of the forests for various purposes, not the least of which is the increased tourist traffic drawn thither.

That the amount expended on forest conservation is too low, requires no proof for in the past ten or eleven years the loss from forest fires shows practically no reduction.

It is difficult to anticipate any means whereby the loss from insects

(Continued on page 40)

EXPECT SURPLUS OF KRAFT PAPER IN UNITED STATES

Normal Growth in Demand Results in Enormous Expansion of Industry

The steady increase in production of kraft paper has brought the industry to a point where it stands in constant danger of over-production from year to year in the United States, according to a review of the industry by the National Bank of Commerce. The kraft wrapping paper industry in 1926 had the best year since the postwar depression.

It is pointed out that certain very definite improvements have been made in the past three years. Production of kraft has grown steadily from 382,000 tons in 1923 to about 550,000 tons in 1926. "Normal requirements in the United States," says the review, "increase about 5 per cent. each year and consumption and use of productive capacity in 1926 came closer to normal than at any time since the war. Moreover, important economies in production methods have been developed.

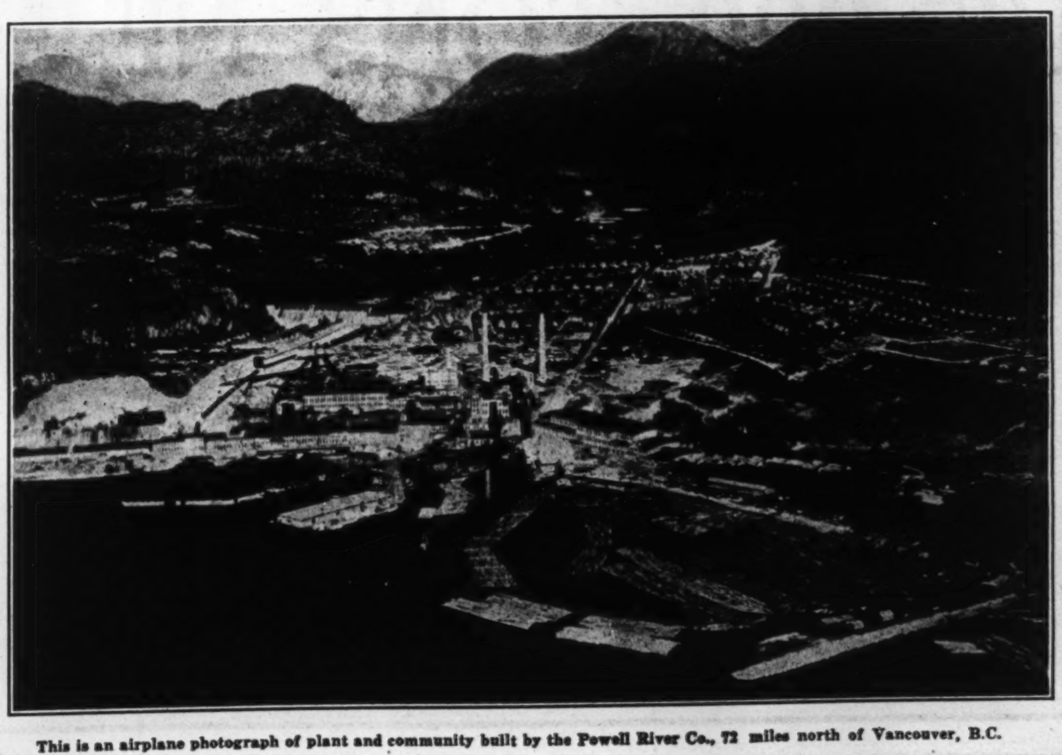
"With full recognition of this, the rapid growth of the kraft paper industry has brought it to a critical point in its development. The industry last year operated at about 85 per cent. of practical capacity or 78 per cent. of theoretical machine capacity. Two-thirds of the industry operated at a loss, while one-third made a profit.

"The consumption requirements in this country have by no means reached the possible maximum annual production so that the industry stands in constant danger of over-production from year to year. In the face of this situation, if present plans for new mills materialize, it is expected that capacity for producing a half million tons of kraft pulp annually will be added to present capacity by the end of 1929.

"Kraft is the strongest paper made

(Continued on page 41)

British Columbia Boasts Proud Position in Paper Industry



This is an airplane photograph of plant and community built by the Powell River Co., 72 miles north of Vancouver, B.C.

Spanish River

Newsprint Situation Naturally Affects Earnings, But Earnings from Interest in New Newsprint Companies Show an Increase

The Spanish River Pulp & Paper Mills is one of the outstanding efforts in the Canadian pulp and paper industry. The company has a demonstrated earning power, is in a strong financial position, and is capably managed. While to-day it is affected, like every other newsprint producer, by the hesitancy in the demand for newsprint, yet some of the larger investments which the company has made in recent years, are now on an earning power basis. Spanish River has a substantial interest in the equities of both the St. Anne Paper Company and the Manitoba Paper Company; both these projects have now entered production and are earning revenues on Spanish River's investment.

The company operates three mills; one each at Sault Ste. Marie, Espanola and Sturgeon Falls, Ont. The rated capacity of these plants amounts to 720 tons of newsprint daily with an extra sulphite pulp capacity of 150 tons daily. The company controls the timber on well over 20,000 square miles of limits and, develops from its own power plants some 50,000 horsepower.

Strong, Conservative Company

The company operates under excellent management and even the most casual glance over earnings in past years reveals clearly to the investor that the management's policy has been conservative and that earnings have steadily gone back into the property for years back.

For a long time rumor has indicated a merger between Spanish River and Abitibi. The merger may take place—but it does not appear as if it will take place for some time. First of all, the companies are located on different watersheds and little would be gained in the way of operating economies by such a merger. Second, some of Spanish River's bond issues participate in earnings, and, in addition, the preferred stock participates with the common after 7 per cent. is paid on the junior security. There are many close to the Abitibi-Spanish River picture, who feel that the rather complicated capital structure of Spanish precludes a merger between the two organizations at least for the present.

Once a Market "Dog"

The gigantic strides which Spanish has made and the character of the company's management can perhaps be well gauged by one example of its progress. In 1916 the common share capitalization had a par value of $8,000,000. At that time it changed hands on the stock exchange at $5 a share. Thus the public's estimation of the equity in the property at that time amounted to only $400,000. To-day, the market valuation of the junior securities of the company is over $10,000,000.

The annual report of the Spanish River for the year ended June 30, 1927, shows, as was expected, a drop in profits. This was due to the situation that has prevailed in the newsprint industry since a number of additional machines of great capacity created a surplus of product. About the time the industry got in position to market a greater quantity of newsprint, there was a noticeable slackening of demand in the United States. Business has been moving along on a slower scale throughout the United States and the volume of advertising in daily newspapers has been lower.

Balance Sheet Improved

Taking the long view, however, the outlook for such companies as Spanish River hardly can be surpassed, assuming that there continues to be efficient management of the enterprise. With a net profit, after appropriations for depreciation, taxes and funded debt, of less than any post-war year, the balance sheet of the company shows a marked improvement over the previous year.

Spanish River also has a very substantial interest in the Fort William Paper Company and as this organization has steadily expanded over recent years future earnings from this, as well as the other companies in which Spanish River is interested, should increase and compensate the company, in part at least, for the reduction of earnings due to the slump in the newsprint market.

Capitalization—

	Authorized	Outstanding
Common	$10,000,000	$9,447,000
7% cum. pref.	10,000,000	8,619,500

Preferred participates equally with common after payment of 7 per cent. on latter.

Funded Debt—

1st mtge. bonds 6%, due 1931	$1,456,280
Ser mtge. lien notes 6%, due to 1929	688,000
Gen. mtge. bonds, 8%, due 1941 ..	2,749,500
1st mtge. 6% bonds, Ontario Pulp & Paper, due 1931	968,800
1st mtge. 6% bonds, due 1941, Lake Superior Paper	4,040,060

Dividend Record—

Year	Common	Preferred
1911	....	7%
1912	....	7%
1913	....	3½%
1920	1¾%	1¾ + 42%x
1921	7%	7%
1922	7%	7%
1923	7%	7%
1924	7%	7%
1925	7%	7%
1926	7%	7%

x—Arrears paid up on preferred July, 1920.

Officers—George H. Mead, pres.; G. R. Gray, C. H. L. Jones, vice-presidents; J. G. Gibson, sec.; A. H. Chitty, treas.; C. H. L. Jones, gen. mgr. of manufacturing; G. R. Gray, gen. mgr. of woods.

Directors—George H. Mead, P. B. Wilson, C. H. L. Jones, C. E. Read, T. Watson Sime, G. R. Gray, T. H. Watson.

Market Record—

Year	Common High	Common Low	Preferred High	Preferred Low
1912	70¼	34	97½	85
1913	72⅝	9	97½	30
1914	16⅝	9	51	30½
1915	7¼	3	35	35
1916	25	3½	70	29
1917	19	13	59¼	49½
1918	20	12¾	65	50
1919	90½	17	131	63½
1920	125¼	75	149½	82
1921	89½	44	95	51⅞
1922	103½	58⅛	112¼	67
1923	103	32	108	94
1924	114¼	96	120½	100⅝
1925	111¾	96½	127	112½
1926	111¾	96½	120	107½
1927 (to date)	106½	97⅛	121	110¼

Income and Surplus Account, Years Ending June 30.

	1927	1926	1925	1924	1923	1922
Net Earnings	$3,065,262	$3,743,448	$3,851,645	$5,039,029	$4,008,155	$3,361,537
Less: Interest on Bonds	665,903	695,046	751,558	766,052	888,178	950,645
Res. for Depreciation	584,246	602,500	550,515	792,317	736,560	475,975
Res. for Taxes, etc. ..	100,000	250,000	265,000	360,000	200,000	150,000
Net Profits	1,715,113	2,195,902	2,284,571	3,119,660	2,183,417	1,784,917
Less Appropriations of:						
Pref. Dividends	603,365	603,365	603,365	603,365	603,365	603,365
Common Dividends ...	661,290	661,290	661,290	661,290	661,290	629,685
Prop. Paid to Bondhldrs	140,517	140,517	140,517	140,517	140,517	137,050
Special Reserve	144,301	239,745	220,563	400,000	....	317,765
Surplus for Year	165,640	550,985	658,836	1,341,488	778,245	97,096
Add Previous Surplus	7,009,309	6,458,324	5,799,488	4,485,000	2,446,892	2,349,796
Add Reserve	....	....	....	....	1,259,863	....
Balance Carried Forward	$7,174,949	$7,009,309	$6,458,324	$5,799,488	$4,485,000	$2,446,892
Dividend Record and Earnings on Capital Stock—						
Preferred, Earned %	19.90	25.36	24.87	29.92	23.70	15.43
Paid	7	7	7	7	7	7
Common, Earned %..	11.16	16.85	16.31	20.91	15.13	8.08

Manitoba Paper

New Spanish-Abitibi Subsidiary Now in Production — Adjacent to Large Market

Investment interest in the Manitoba Paper Co. is purely confined to its $4,000,000 bond issue. The company is owned by the Spanish River Pulp & Paper Mills, the Abitibi Power & Paper Co., and by financial interests immediately associated with these companies. The fact that ranking after the bond issue is $4,800,000 in preferred stock, coupled with the fact that these shares are owned by these strong interests, strengthens the position of the bondholders.

The company's first newsprint machine went into operation early this year, whilst the second and last machine was turned over for the first time this summer.

The site of the plant and town-site is on the Winnipeg River, close to Lake Winnipeg, about sixty miles as the crow flies from the City of Winnipeg.

Adjacent to Markets

The property is served directly by the Canadian National Railways and the mill enjoys favorable freight rates to the middle-western newsprint consuming areas of the United States. From the standpoint of the availability of its raw material and the distribution of its furnished product, the location of the plant is most advantageous. Incidentally, newsprint men feel that when further expansion takes place in the industry, it will probably be at points most favorably located to serve the middle-western States.

Owing to its recent construction, the plant is up-to-date in every way. It has been laid out with a view to the erection of additional units as the demand warrants such construction.

While the company owns the prior rights to develop and use for its own purposes the Pine Falls water power adjoining the plant, yet for the present it has been found more satisfactory to purchase its power supply from the Manitoba Power Company, from which it secures power at a favorable rate. The Pine Falls power site, however, is capable of developing 75,000 continuous h.p.

Has Adequate Timber

The government has leased the company a large area of timber limits sufficient for its needs. However, the entire area surrounding the mill has been reserved for a period of five years, so that the company may be allowed to pick out selected tracts of not less than 30 square miles until it has finally the total area allotted to it. This ensures that the company will be able to pick out well-timbered areas.

The output of the plant is sold by the Canadian Newsprint Co. At the time that the bond issue was sold, it was estimated that net earnings would be equal to five times the maximum interest requirements on the issue, and approximately equal to three-and-a-half times the annual reserves necessary to retire both principal and interest.

Capitalization—

	Authorised	Outstanding
Common .... (No par value)	125,000 shs.	125,000 shs.
Preferred .... (Eight per cent. cumulative, par $100.)	$10,000,000	$4,800,000

Funded Debt—

First mortgage, 6½ per cent. serial bonds, $4,000,000.

Officers and Directors—

W. H. Hurlbut, pres.; G. H. Mead, Col. C. H. L. Jones, P. B. Wilson, G. R. Gray, A. Smith, L. R. Wilson, T. Sweatman, B. W. Thompson, sec.

Glossary of Words Used to Describe Industry

The Meaning of Sulphate, Kraft, Sulphite and the Composition of Various Pulp and Paper Products Described for the Investor

Any investor who for the first time turns his thoughts toward the pulp and paper industry is perhaps slightly puzzled by the phraseology of the newspaper writer who glibly talks of such things as machines and tonnage, or sulphate and groundwood. Thus a small glossary of the terminology used in non-technical discussions of the industry may prove perhaps of some practical use to those who for the first time are begining to take an interest in Canada's largest industry. It follows:

News, or newsprint—The grade of paper upon which the ordinary daily newspaper is printed.

Pulp—Just what its name implies. Ground up or disintegrated logs. This is accomplished by two processes, one of which produces mechanical or groundwood pulp and the other, chemical pulp.

Groundwood, or mechanical, pulp—is manufactured by pressing the logs against large grindstones upon which water is sprayed. The result is a milky white mush.

Chemical pulp—Is of three types: Sulphite, sulphate and soda. The logs are broken into small chips about an inch in length. These chips are cooked in a digester under steam with a weak acid or alkaline solution. Thus the fibres in the wood are broken up by chemical, instead of mechanical means as with groundwood pulp.

Sulphite pulp—Is used in the manufacture of high grade paper. About 25 per cent. sulphite and 75 per cent. mechanical groundwood goes into the making of an ordinary sheet of newsprint.

Sulphate pulp—The toughest of all the family. Is largely used in the manufacture of wrapping paper, or any other paper in which strength is required.

Kraft — Another name for either sulphate pulp or for the paper which is made from this pulp.

Machines—A name applied to the intricate machinery which at one end takes a layer of thin watery pulp and by rolling and heat produces at the other end of the strip of paper. A 100 ton machine means one which will roll out this amount of paper in a day.

Pulpwood—Is mostly composed of spruce, with smaller proportions of balsam and hemlock.

Wood pulp — Another name for pulp.

Each grade of paper is made from a combination of various types of pulp. It will be of interest to trace out the composition of the various types of paper. No hard and fast rule can be laid down for the blending of pulps to make paper, as pulps from the same mill often vary, and a definite grade is often the result of experimentation.

Book paper.—This may be said to be made on an average from about 40 per cent. soda and 35 per cent. sulphite pulp. Old book paper, rags, and limited quantities of other material supply the remaining 25 per cent. Of a total of around 725,000 tons in 1923, Canada supplied about 31 per cent. of the American pulp requirements. The largest factor in the American imports, totaling 27 per cent., and that which is growing most rapidly, is pulp, almost all sulphite. More than half of this is from Canada.

Wrapping paper. — This product averages in its composition about 40 per cent. of sulphate pulp, 25 per cent. of sulphite, 17 per cent. of mechanical and 9 per cent. of manila stock and the remainder of other material.

As in book paper, the material for wrapping is mostly imported as pulp into the United States. A total of about 27 per cent. of that country's requirements comes in about equal amounts from Canada and the continent.

Boards.—Some 80 per cent. of the contents of cardboard comes from all sorts of waste paper and straw. The 20 per cent. of new pulp which normally goes into the manufacture consists of sulphite, sulphate and mechanical pulp, each to the extent of about one-third of this 20 per cent. Twenty-six per cent. of the American requirements for cardboard are imported from Canada.

Newsprint paper. — Seventy-five and twenty-five per cent. represent the average contribution of mechanical and sulphite pulps to newsprint paper. The United States supplies itself with only 40 per cent. of its newsprint requirements.

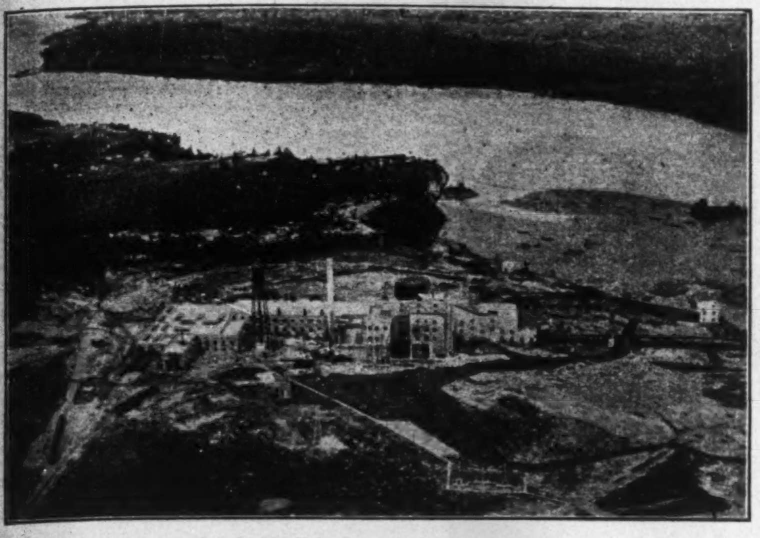
Other kinds of paper. — For the making of other kinds of paper the manufacturer experiments until he finds the most suitable combination of the various forms of pulp for the type of paper which he wishes to produce.

Abitibi Power & Paper Co
Limited

Yearly Capacity:
165,000 TONS NEWSPRINT

Mills at
IROQUOIS FALLS
ONTARIO

Manitoba, Too, Plays Part in Paper Industry



Above is airplane view of the Manitoba Paper Co.'s plant at Pine Falls, Man. The mill has a rated daily capacity of 50 tons of newsprint.

Brompton Pulp

Addition of New Newsprint Mill is Augmenting Earnings —May Amount to an Additional $2 Per Share Annually—With Output Sold Profits Increase

As nearly as can be learnt the new newsprint addition to the Brompton Pulp & Paper Company's plant at Bromptonville, P.Q., is bringing in net profits to the company of about $300,000 annually. The new mill began operating at the beginning of 1927. That the profits from the expansion would be satisfactory was assured, as Brompton has not had to search out markets for its newsprint output, but has sold its total production to large publishing interests in the U. S. An addition to the net profits after all charges of $300,000 would mean additional earnings on the common stock of about $2 per share per annum.

Last year the company earned $3.50 per share on its 140,000 shares of no par value common outstanding. Presuming that earnings from the other departments of the company's activities are maintained at last year's level it can be seen that earnings during the present year will be about $5.50 on the common.

Profits Per Ton Produced

The new Brompton mill produces 110 tons of newsprint daily. On a 300 days a year basis, the output would amount to 33,000 tons annually. Taking into consideration only Brompton's fixed charges, a net profit of $300,000 annually from the new mill amounts to a profit of less than $10 a ton on the output—a figure which does not seem large especially as it does not take into consideration interest on the preferred shares or on the equity in the company.

The four pulp and paper plants of the Brompton Pulp and Paper company have a more varied output than any other of the Canadian pulp and paper companies. This was regarded as one of the favorable points about the company's operations, but, due to poor markets in the U. S., the Groveton mill in New Hampshire has not made satisfactory earnings for some years. This mill produces sulphite paper.

The company's mill at Claremont, New Hampshire, is producing sulphate specialties and has been doing a more satisfactory business.

The non-success of the Groveton mill has been one of the reasons why Brompton's stock has been a disappointment to investors in past years.

The Canadian plants are located at East Angus and Bromptonville, P. Q., and the two American plants at Groveton and Claremont, New Hampshire.

The entire newsprint output of 230 tons daily is now purchased by one of the largest publishing interests in the United States. Thus the company is not handicapped by the part-time operations which have prevailed in other newsprint companies. The company's production includes newsprint, sulphite pulp, sulphate pulp wrapping paper, pulpboard, groundwood pulp, kraft and fine papers.

The East Angus newsprint mill turns out sufficient groundwood for the company's newsprint production. The surplus sulphite pulp from East Angus goes to the Claremont, New Hampshire, mill whilst some unbleached sulphite comes over from the mill at Groveton, New Hampshire to be used in the production of newsprint. Some of the company's Canadian production is used as the raw material in its U. S. mills, and some of the U. S. production is used as the raw material for the Canadian mills.

Apparently, the real strength of the company lies in its timber resources—with the depletion of the timber generally on this continent, it seems certain that over a term of years Brompton cannot fail but to reap a better profit from these assets which are favorably located as far as markets are concerned.

At the moment, Brompton seems to be in a better position to make progress than has been the case for some years. The bonded debt has been increased, owing to the addition of the new newsprint machine, which went into operation at the beginning of 1927, but its high interest bearing bonds have all been refunded. It has an assured market for its newsprint production. The bettered position of the company was reflected about a year ago, when the common shares went on an annual $2 dividend basis. During the current year earnings have increased owing to an increased output of newsprint. Eventually, it seems reasonable to presume that conditions will be such that its U. S. mills will make increased earnings—although the results to date have not been particularly satisfactory. While 1926 witnessed a decline in both gross and net earnings, there seems to be every reason for anticipating an improvement in the future.

Why Not Selling Higher

The reason why Brompton shares do not sell higher is due to two factors. First, depression which exists in the pulp and paper industry at the present time, and second, owing to the fact that for some years the outlook for the company has been somewhat better than the actual results have justified.

Brompton common is still a speculation, but a speculation which is unharmed by the failure of the company to do as well as many anticipated some years ago.

The company produces box-board, kraft, manila and fibre paper. Specialty papers are produced in its U.S. mills. The capacity of the Canadian mills is 230 tons of newsprint, 55 tons of boxboard, 25 tons of kraft, manila and fibre paper daily. It owns 282,102 acres of freehold land, and 633,767 acres of Crown timber limits, estimated to contain nearly 6,000,000 cords of pulpwood. The company has practically the exclusive use of logging purposes of the St. Francis River, from the location of the mills to the head waters. This greatly facilitates logging operations and the transport of timber cut by the company or purchased from settlers.

Capitalization—

	Par	Outstanding
8% cum. pref.	$100	$2,000,000
Common	None	140 000 shs.

In 1920 each $100 par val. share was exchanged for two shares of no par value.

Funded Debt—

1st cons'l. mtge. 6% due 1935	$751,000
1st and refund, 6%, due 1946.....	$4,183,000

Dividend Record—

Preferred paid regularly to Nov., 1921; none thereafter until 1923, when all arrears were paid up and regular quarterly payments of 2% resumed.

On common initial dividend of 1 per cent., together with extra dividend of ¼% paid Feb., 1917; May, 1917, 1 per cent. and ¼% extra. Aug., 1917, 1¼%, which quarterly rate was paid to and including Nov., 1919, Feb., May and Aug., 1920, 1½% each Nov., 1920, and Feb., 1921, $1.75 per share; May, 1921, $1 per share; none thereafter until 50 cents a share paid Jan., 1927, and quarterly since.

Officers and Directors—

E. W. Tobin, president; H. Beauclerk, vice-pres.; W. N. Munroe, treas.; J. A. Bothwell, gen. man.; R. E. Meagher, sec.; J. N. Greenshields, K.C., C. C. Wilson, H. E. Munroe, R. W. Steele, C. G. Grenshields, K.C.; Dr. Milton L. Hersey, James E. McCrea.

Market Record—

	Common	
	High	Low
1916	79	43
1917	58¼	38
1918	63¼	41¾
1919	87	55
1920	170	42¼
1921	59	13½
1922	40	15
1923	43¾	33⅞
1924	43	26½
1925	32½	18
1926	38⅝	36
1927 (to date)	42¼	31

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Net Earnings	1,240,954	1,321,065	1,128,582	1,802,163	1,607,213	1,097,784
Less Depreciation	252,000	255,000	255,000	326,418	366,589	244,000
Bond Interest	321,440	299,359	288,572	303,134	362,783	200,774
	573,440	554,359	543,572	629,552	729,372	444,774
Total	667,514	766,706	585,010	1,172,611	877,841	653,010
Pref. Dividends	177,500	177,500	177,500	337,500	17,500	155,000
Common Dividends	70,000	......	......	......	......	385,000
Inventory Account	......	55,121	......	......	......	944,964
	247,500	232,621	177,500	337,500	17,500	1,484,964
Surplus for Year	420,014	534,085	407,510	835,111	860,341	†831,954
Add Prev. Surp.	5,158,737	4,624,652	4,217,142	3,382,031	2,521,690	1,643,579
Balance Carried Forward	5,578,751	5,158,737	4,624,652	4,217,142	3,382,031	811,625
Times Interest Earned	3.07	3.56	3.03	4.86	3.42	4.25
Dividend Record and Earnings on Capital Stock—						
Preferred Earned	32.50	37.46	28.38	57.75	43.02	32.65
Paid	8	8	8	8	..	7
Common Earned	3.50	4.21	2.91	7.11	5.00	3.56
(Paid	......	......	......	......	......	2.75

*Year ended October 31.

†Debit.

**Includes operations of Brompton Pulp for period of 14 months; Groveton Paper for 12 months and Claremont Paper for 12 months.

Fort William Paper

Pulpwood Reserves Nearby Total More Than 5,000,000 Cords

Fort William Paper Co. is a subsidiary of Fort William Power Co., which was organized some time ago as a holding company for the paper company and the Kaministiquia Power Co. Fort William Power Co. is controlled by Spanish River Pulp & Paper Co., the Mead Investment Co., of Dayton, O., and Sir Herbert Holt.

No earnings statement concerning Fort William Paper Co. is available since March, 1926, when the last bond issue was marketed. The statement for the fiscal year ended June 30 last will be available, it is reported, within a week or two. There has been some delay owing to the fact that the fiscal year is being changed to December 31.

The company was organized in 1922 and now has a capacity of 160 tons of groundwood pulp, 75 tons of newsprint and 75 tons of sulphite pulp daily.

The company will have a fixed assessment of $300,000 in Fort William if by 1932 the capacity of the plant is 240 tons of newsprint daily.

The power for the plant is obtained from the affiliated Kaministiquia Power Co. The timber is obtained from property leased from the Grand Trunk Pacific Railway and the Ontario government. The areas are estimated to contain 5,400,000 cords of pulpwood.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	40,000 shs.

No par value. All owned by Fort William Power Co.

	Authorized	Outstanding
Preferred	$5,000,000	$1,500,000

7 per cent. cumulative, par $100.

Funded Debt—

First mortgage, 6 per cent. bonds, series "A," due 1946, $3,500,000.

Officers and Directors—

G. H. Mead, chairman of board; W. N. Hurlbut, pres.; G. R. Gray, vice-pres.; P. B. Wilson, vice-pres.; C. H. L. Jones, vice-pres.; Sir H. Holt, J. S. Norris, N. N. Patterson, T. H. Watson, W. Struthers, treas.; J. G. Gibson, sec.

Profit and Loss—

Net earnings, after deducting operating charges, maintenance and repairs, but before depreciation, depletion and taxes:

Year end. June 30, 1924	$655,697
Year end. June 30, 1925	735,492
Six months end. Dec. 31, 1925	349,838
Three mths. end. Mar. 31, 1926	213,859

Production—A daily output of 160 tons groundwood pulp and 160 tons of newsprint.

High Grade Paper Industry

Book and Fine Paper Producers Experience Better Demand—Exports Increase Also—Prosperity of Industry Depends on Domestic Market

The present year finds the manufactures of high grade and book paper experiencing better business and in a generally improved position despite the fact that these companies operate under certain handicaps.

The domestic market for fine paper is small. The manufacturers find certain difficulties in obtaining a strong foothold in foreign markets and finally with the tremendous import of U.S. publications into this country, the manufacturers find that they have but a small publishing house field which they can serve.

Should some check ever be placed on the flow into Canada of publications containing vast quantities of advertising, the fine paper manufacturers of the Dominion would benefit enormously. It seems doubtful though, whether any restrictive legislation of this character will ever take effect.

The trend in this branch of the pulp and paper industry depends practically entirely on the growth of the domestic market, but the figures on this industry which are printed elsewhere in this issue reveal the fact that strides have been made in capturing foreign markets. Especially is this so in the case of book paper. Exports of this grade this year have shown a tremendous increase. Furthermore, the expansion in foreign fields has been accompanied by an improved demand in the domestic field.

The Canadian demand for fine paper this year has been largely increased over a year ago and companies engaged in the manufacture of fine paper are experiencing improved returns. The success of the high grade paper mills depends on the demand in the domestic market—with the growth of the Dominion, the demand for fine paper will increase.

Complete Electrical Equipment for the Pulp & Paper Industry

C.G.E. Electrical equipment—switchboard and synchronous pulp grinder motors—installed in one of Canada's leading pulp and paper mills.

MANUFACTURING facilities of vast proportions, engineers trained in the design of pulp and paper equipment and the experience of half a century stand behind every proposition made by C.G.E. on new projects in the Pulp and Paper Industry. C.G.E. pulp and paper equipment includes:

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Electric Locomotives
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CANADIAN GENERAL ELECTRIC Co. Limited
HEAD OFFICE TORONTO, SALES OFFICES IN ALL PRINCIPAL CITIES

ONTARIO

Has a Mighty Asset in Her Pulpwood Resources Ample Supplies Near Consuming Markets

Hon. William Finlayson,
Minister of Lands and Forests

Millions of Acres Still Available Served by Power and Transportation Facilities

Over Two Hundred Million Cords

NEXT to agriculture and mining, forest resources stand as one of Ontario's immense assets. In this direction there are immense reserves waiting to be turned into actual wealth. It is estimated that the Province has over two hundred million cords of first-class pulpwood. Much of this lies in the charted sections of Ontario where all of it is comparatively easily accessible. In addition to this, however, are the marvelous resources of the District of Patricia that have scarcely been touched. This immense area, comprising 146,000 square miles, has only been partially surveyed, but it is known to consist mainly of forest areas suitable for pulpwood. With the growing demands made on the resources of other sections, this great tract will undoubtedly become of interest in the near future. Irrigated by many rivers that afford a means of transport and assure necessary power, this district will one day be a large factor in the industry.

It is well that Ontario has such resources. The forty-five mills operating in the Province are making annual inroads on these resources for approximately 850,000 tons of pulp and 700,000 tons of paper.

Realizing the vast importance of this great industry to the Province, the Government has set itself definitely toward comprehensive schemes of forest protection, and against any unwise exploitation of these resources. Under this careful administration, and with the whole-hearted co-operation of the existing mills, these industries operating in Ontario are assured of ample supplies of raw material for many years to come, while sounder systems of cutting will assure a gradual reforestation of the cut-over sections, so that altogether Ontario has an assured and lasting asset in her pulp and paper resources.

Power Makes Progress Possible

THE splendid growth of this great industry has been due not only to the fact that Ontario has such extensive timber reserves, but that these reserves have been made commercially attractive by the fact that ample power facilities have been available in every section. Ontario has taken a leading part in hydro-electric power development, and there is more water power actually developed in Ontario than in the continents of Africa, South America and Australasia combined.

The pulp and paper industry is largely dependent on electric power, and it is a fortunate fact that these great forest areas are interlaced with rivers and streams well adapted for running logs in their long level stretches, and admirably suited for the development of power in the cataracts that feature almost every stream.

It is a notable fact that the Province has potential power sites in virtually every section of the country. These resources that are still undeveloped represent a potential development of 6,000,000 h.p., or four times as much as that already developed. All these resources are in or adjacent to the great pulpwood areas, which assures an economic operation of these areas when the time for their development comes, and it is this very factor of possible economic development that has made for the rapid expansion of the industry in the Province.

The Ontario Government has retained all the water powers as a public trust, refusing to alienate them. It will, however, negotiate for their lease to parties interested on such terms and conditions as will meet the requirements of the industry and at the same time secure the interests of the Province in these potential sources of wealth.

Ontario, therefore, has to offer to sound industries the assured advantage of virtually limitless resources of raw materials with the necessary power privileges to make the manufacture of these raw materials economically possible.

Facts and Figures of the Pulp and Paper Industry

Number of Mills
45

Capital Invested
$170,462,147

Payrolls
$15,000,000

THE various departments of the Government are always ready and willing to supply all possible information to bona fide enquirers. Maps, photos, figures and facts, are clearly set forth in the recent publications of the various departments, and these are all available, while the Province stands ready to give every possible aid, not only to existing industries but for the encouragement of those that are contemplating Ontario as a scene of operation.

Department of Lands and Forests

Parliament Buildings
Queen's Park
TORONTO

Protective Measures Safeguard the Future

THE Province has adopted a very far-seeing policy of protecting the great asset in her forests. Fire is the great menace, and every means has been taken to curb and control this menace, by extending the staff of fire rangers, and at the same time giving them smaller areas to supervise, by aeroplane survey and modern fire fighting equipment. With the co-operation of the existing pulp and paper companies, these measures are doing much to curtail the annual loss from this cause, while Government departments are dealing with the ravages of insects.

Newsprint Stocks Gain Favor as Autumn Sees Increase in Production

(Continued from page 33)

mills is 5,992 tons as compared with 8,420 tons in the Canadian mills and 735 tons daily in the Newfoundland and Mexican mills. Included in the Canadian total is a daily rated capacity of 1,280 tons from the mills of the Canadian International Paper Company. Included in the U. S. total there is a figure of 1,040 tons from the International Paper's U. S. mills. For the future, it is to be remembered that the president of the International Paper Company has stated on many occasions that it is the intention of his company to decrease the output of the U. S. mills in due course. The output of the company's mills in that country is to be replaced by the large additions just completed to its operations in Canada. Thus, a material decline in the rated daily newsprint capacities of the U. S. mills can be anticipated. Moreover, in Canada there are but four mills which produce under 100 tons of newsprint daily.

Many More in the States

In the U. S. there are 20 such mills. Eventually, many of these smaller producers in the United States will turn over their machines to other grades of paper. The competition with the Canadian producers will grow keener. The Canadian producers have lower costs and lower power costs than their American competitors and this, of course, is one of the favorable factors in the situation today. With the increasing expansion of the industry in Canada it has long been said that the output of the U.S. mills would decline. Up to 1927 this was not the case, but finally the U. S. newsprint production figures give indications of declining. More and larger declines can be anticipated in the future. Thus, the outlook for the future is considerably better than the actual bald figures of productive capacities and actual consumption indicate.

Can Meet Competition

Another factor favorable to the Canadian companies is that they are better equipped to meet competition. The total rated daily capacity of the Canadian mills to-day is 8,420 tons. Of this figure, 4,375 tons is handled through one unit, namely, the Canadian Newsprint Company which handles the output of Spanish, Abitibi, Price Brothers, St. Maurice Valley and their various associated companies.

In addition, from its U. S. and Canadian mills the International Paper Company has a capacity of 2 320 tons daily. The aim of the International Paper and the Canadian Newsprint group will be first to maintain prices and second, to obtain wider markets. Obviously the other newsprint producers, many of which have a very small production will have a hard time meeting the competition of two such strong groups.

Those Canadian companies not connected with the Canadian Newsprint Company with one exception have a much greater production than most of the U. S. companies and are in a position to obtain the best type of customer.

Some Sell Entire Output

Moreover, some of the independent Canadian companies such as Brompton and the Lake St. John Power & Paper Company have sold their entire output to large publishing interests in the United States. Thus, it can be seen that the Canadian industry, due to its natural advantages and due to its greater strength is in a much more favorable position than its competitors across the border.

In 1928—provided newsprint prices be maintained—there is nothing to indicate that the earnings of the newsprint companies will be very seriously curtailed.

Shares Sell High

In the meantime the shares of the newsprint companies all remain strong or at least comparatively strong. The reason, of course, being that the newsprint securities are the only stocks which appear to be a strong basis for a long hold which will return the investor anything like a satisfactory yield. The shares of other companies which are in as strong a financial position as the newsprint companies and which have not as satisfactory an earning record behind them are all selling at much higher levels.

In view of the general market buoyancy, it may well be that the shareholders in newsprint companies will not be able to pick other common stocks which look at the price at which they are selling, to be any more attractive than the newsprint stocks at present levels.

New Machines in U. S.

Competition from U. S. producers must not be discounted as last year three new newsprint machines were added by U. S. mills. But these were in mills which still had available large timber resources.

From the figures shown above it will be seen that next year there must again be a decided increase in the capacities of the Canadian mills. Newsprint machines are the most intricate single pieces of machinery in the world. To synchronize the various portions of these machines and to adjust their many intricacies to a point where they can be operated at greatest capacity takes not days, but many months. Some of the machines which came into operation at the beginning of this year could not turn out their rated tonnage at the end of the six months period.

So then, what with delays which will occur in the erection of some of these plants and the time it takes to tune up their machinery, the investor will readily see that actual production, or rather ability to produce, will lag considerably behind the dates of completion of these mills.

From the foregoing it will be seen that when all is said and done the newsprint industry in Canada is basically sound, and over a term of years should reward the investor who is willing to wait for profits. And, incidentally, this is the only type of investor who has ever relished his association with the stock market, for practically nobody yet has made money on short market turns—and kept it. But, as has been said, some informed opinion seems to believe that newsprint securities can be purchased at a lower figure than prevails to-day. Thus, there will be many investors who at the present time will sell their newsprint holdings and perhaps be in a position to repurchase them at a little lower figure in the future.

U. S. Will Progress

One of the factors which makes the ultimate future of the newsprint industry seem bright, is that it is dependent on the industrial progress of the United States, which over any three, four or five year period, seems assured.

With the single exception of timber resources that country is rich in all that should go to make for its continued growth. The two fundamentals of industry, iron and coal, are there in abundance. The supply is practically inexhaustible. The States has oil, and can produce in its northern and southern climates practically anything, with the exception of rubber and coffee, which is produced elsewhere. Broadly speaking, the future of that country should be one of continued growth and prosperity, coupled with a high standard of living due to the richness of its natural resources. On these fundamentals depends the growth of the Canadian industry.

Has A Widening Market

For the future more Canadian newsprint may find its way into overseas markets. For instance, an impetus has been given to the newsprint mills on the Pacific coast by the Australian treaty. The Anglo-Canadian Pulp & Paper Mills will send a great portion of its output to British papers.

Some expectation of what the present dull time will mean to the industry may be obtained by noting what occurred in the 1921 slump. The slump of that year was caused, of course, by a decline in the demand, instead of, as at present, by an over-expansion of the industry.

But, unlike the sulphite pulp producers, the newsprint companies came through the 1921 slump—perhaps the worst business depression in the history of the world—successfully. Even if there are indications of some business recessions in the States at the present time, this would in no way be comparable to that which occured after the post-war boom.

Advertising Will Help

The art of advertising is being more and more highly developed, and in the 1921 slump the advertising expenditure did not decline to a degree commensurate with the general business contraction. All of which helps to stabilize the newsprint industry.

The shareholders in newsprint companies, if they are to hang on to their stock, must be willing to hold it over a long period. They must realize that the industry is in for perhaps a protracted period of dull times, and they must be prepared to hold their stock to await ultimate rewards which seem, as far as can be seen at the present, to be certain.

Reaction May Be Small

It is difficult, nay it would be impossible to state definitely that the newsprint shares will sell lower before they sell higher as the consumption of newsprint in the U. S. is extremely sensitive to many outside influences other than business conditions. Lindbergh's famous flight increased the size and the circulation of the newspapers enormously—but only for a few days. Should even a minor war break out anywhere in the world, circulations, and, of course, the consumption of newsprint would mount rapidly.

Thus it is impossible to say definitely that newsprint stocks will sell lower—but many of those in the industry itself are inclined to the belief that present prices are probably a little high. If, as and when a reaction in prices sets in, it may not, of course, be more than a few points. Especially as the autumn months of this year may yet witness a material increase in the demand.

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Use Naylor Spiral Lock-Seam Pipe for Conveyance Lines

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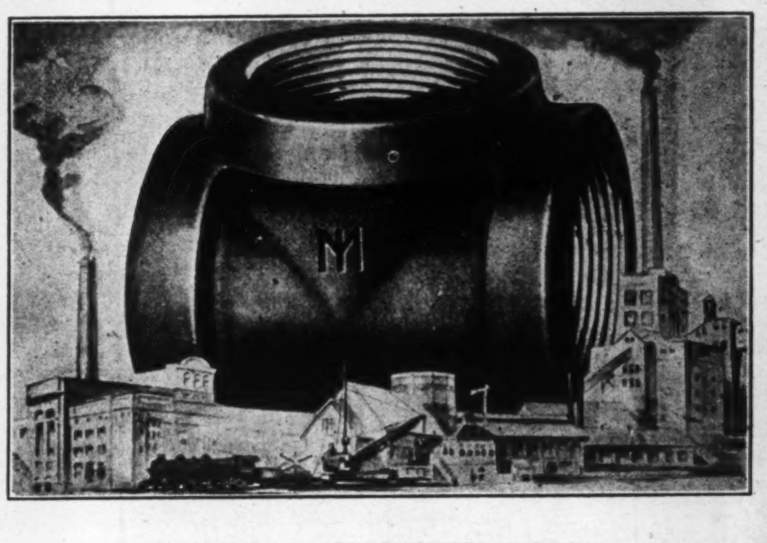

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IMICO Fittings are made in malleable and cast iron; screwed and flanged, of highest grade materials, thereby ensuring perfect castings which are combined with first class workmanship.

THREADS are accurate to gauge, engaging easily with correctly threaded pipe, ensuring perfect joints and accurate alignment. Flange fittings are made with rounded corners, eliminating friction, and carefully faced and drilled to template.

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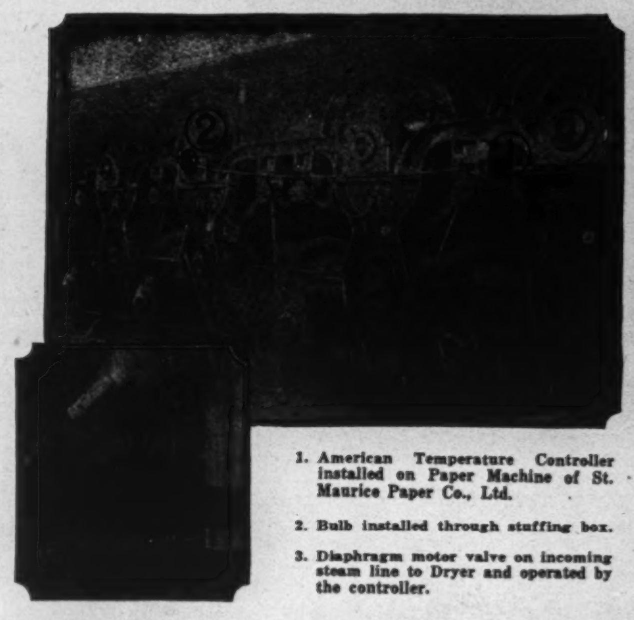
Controlled Dryer Temperature and Paper Quality with American Temperature Controllers



1. American Temperature Controller installed on Paper Machine of St. Maurice Paper Co., Ltd.
2. Bulb installed through stuffing box.
3. Diaphragm motor valve on incoming steam line to Dryer and operated by the controller.

Regardless of variation in steam pressure and interruption to the normal operation of the paper machines, the heat in the Dryer rolls is always maintained at a uniform temperature.

American (formerly Honeco) Temperature Controllers assure an absolutely uniform temperature to the incoming steam. The bulb of the controller is installed through a stuffing box in the end of the Dryer journal in such a way that it remains stationary while the Dryer rotates.

The result of this careful temperature control shows directly in the quality of the paper. Uniformity of quality and finish are always assured.

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Direct Factory Representatives:
For Eastern Canada: Mechanical Equipment Co., 415 New Birks Building, Montreal.
For Middle Western Canada: Kipp-Kelly Ltd., 68 Higgins Ave., Winnipeg.

Reducing Steam Generation Costs *in* Canada's Pulp *and* Paper Mills

The Combustion Engineering Corporation is to-day reducing production costs in 26 Canadian Pulp and Paper Mills. Every year more and more plants are utilizing Combustion Engineering Corporation service in the interests of economy and efficiency.

IN THE following Pulp and Paper Mills throughout Canada the Combustion Engineering Corporation has installed one or more pieces of steam plant equipment:—

Abitibi Power and Paper Company
Beaverwood Fibre Company
J. R. Booth
Brompton Pulp and Paper Company
Brown Corporation
Canadian International Paper Company
Canada Paper Company
Consolidated Water Power and Paper Company
Dominion Pulp and Paper Company
Fort William Paper Company
Fraser Companies
Howard Smith Paper Mills
Interlake Tissue Mills
Lake St. John Power and Paper Company
Laurentide Company
Manitoba Paper Company
Nashwaak Pulp and Paper Company
Pacific Mills

QUALIFIED to solve every problem involved in the burning of fuel, the generation of steam and the design and construction of steam plant equipment, the COMBUSTION ENGINEERING CORPORATION offers the pulp and paper industry of Canada a unique service.

On our staff are many of the outstanding figures in the field of combustion and steam engineering. Our products have been tested and proved in many varied industries and in North and South America, Europe, Asia, Africa and Australia. We are now the largest organization in the world manufacturing fuel-burning and steam-generating equipment.

Behind every installation made by the COMBUSTION ENGINEERING CORPORATION is not only the great and solid reputation of this organization, but also a conservative, dependable guarantee of completeness of service and of entire responsibility for performance and equipment.

Port Alfred Pulp and Paper Corporation
Price Brothers & Company
Provincial Paper Mills
Riordon Pulp Corporation
Spanish River Pulp and Paper Company
St. Anne Paper Company
St. Lawrence Paper Mills
Thunder Bay Paper Company

The following are the products of the Combustion Engineering Corporation:

Lopulco
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Frederick Stokers
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Green C. G. Stokers
C-E Ash Conveyors
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The COMBUSTION ENGINEERING CORPORATION are pioneers in the development of steam power equipment—as listed below:—

PULVERIZED FUEL

The Combustion Engineering Corporation were the pioneers in the development of Pulverized Fuel Burning Equipment for steam generation. The Lopulco Storage System was the first commercially successful method of burning pulverized fuel. This system is now applied to nearly 5,000,000 square feet of boiler heating surface in Canada and the United States.

MECHANICAL STOKERS

The Combustion Engineering Corporation was the first to recognize the fact that different fuels and operating conditions demanded different types of mechanical stokers. Nine types of stokers were developed to meet these varying fuel and operating conditions. These included single and multiple retort underfeed stokers and both forced draft and natural draft chain grate stokers. To-day, this company leads in total volume of stoker sales.

AIR PREHEATING

To-day, desirability of preheating combustion air is generally recognized. The greatest loss which occurs in the process of steam generation is that due to the heat which is carried away by the escaping flue gases. This waste heat can be recovered most efficiently and economically by using it to preheat the air for combustion. It was the Combustion Engineering Corporation which established this practice.

WATER COOLED FURNACES

The C-E Fin Furnace developed by the Combustion Engineering Corporation was the first all-metal, steam generating furnace to be installed in this country; to-day it leads substantially in number of installations both here and abroad.

For the greater service of the pulp and paper industry, the Canadian Organization of the Combustion Engineering Corporation also manufactures in Canada, and installs the RUTHS STEAM ACCUMULATOR and the NORDSTROM DRYER for drying either sulphate chips or waste wood and bark for fuel purposes.

The wealth of experience the Combustion Engineering Corporation has gained in the design and operation of numerous varied installations is available to every customer who entrusts a steam plant contract to us.

Combustion Engineering Corporation *Limited*

Power Plant Equipment

MONTREAL, TORONTO, WINNIPEG, VANCOUVER

RAYMOND CONCRETE PILES

"Efficient, Economical and Everlasting"

The owners and designing engineers of the following paper mills selected Raymond Concrete Piles as the most reliable assurance of safe foundations for their buildings and equipment.

— A Record of Achievement —

Ha-Ha Bay Sulphite Co., Ltd., Port Alfred, P.Q.	369 piles
Belgo Division, St. Maurice Valley Corporation, Ltd.	2006 piles
Riordon Pulp and Paper Co., Ltd., Hawkesbury, Ont.	621 piles
Cap Madeleine Division, St. Maurice Valley Corporation, Ltd.	590 piles
Fort William Paper Co., Ltd.	2911 piles
Newfoundland Power and Paper Co. Ltd.	3261 piles
Price Brothers and Co., Ltd., Riverbend, P.Q.	4461 piles
Canadian International Paper Co., Ltd., Gatineau Plant	5037 piles
St. Anne Paper Co., Ltd., Beaupre, P.Q.	3360 piles
Lake St. John Power and Paper Co., Ltd., Mistassini, P.Q.	2382 piles
Anglo Canadian Pulp and Paper Mills, Ltd.	6680 piles

Totalling 90% of the permanent piling requirements in this industry.

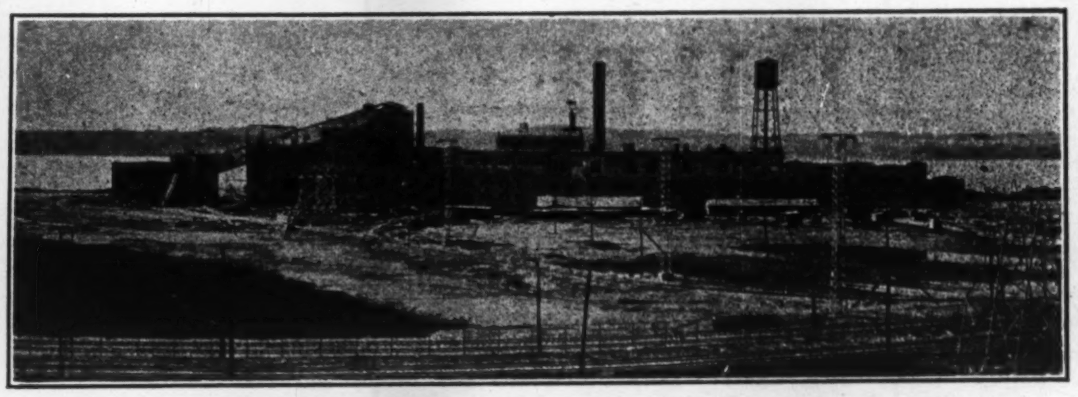
RAYMOND CONCRETE PILE COMPANY LIMITED

109 Mail Building, Toronto

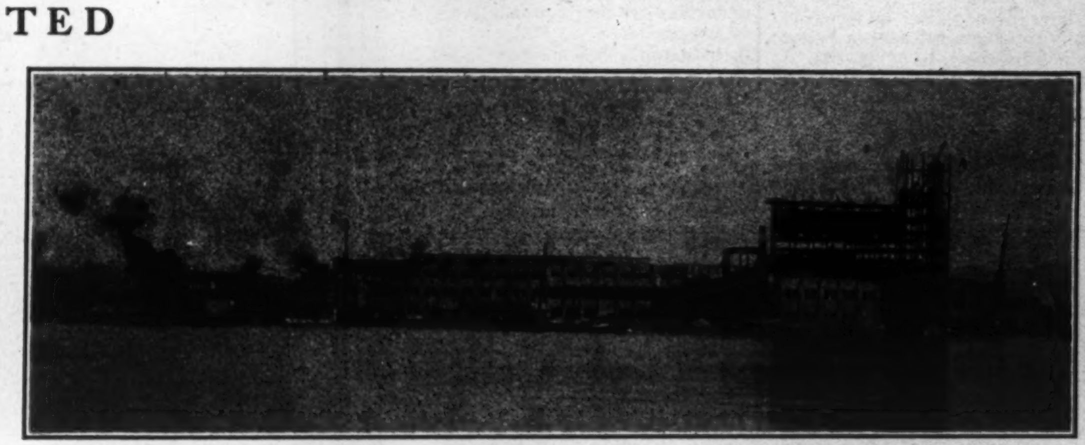
10 Cathcart St., Montreal

WILLIAM I. BISHOP

LIMITED



250 Ton Newsprint Mill—Ste. Anne Paper Company Ltd., Beaupre, Que.

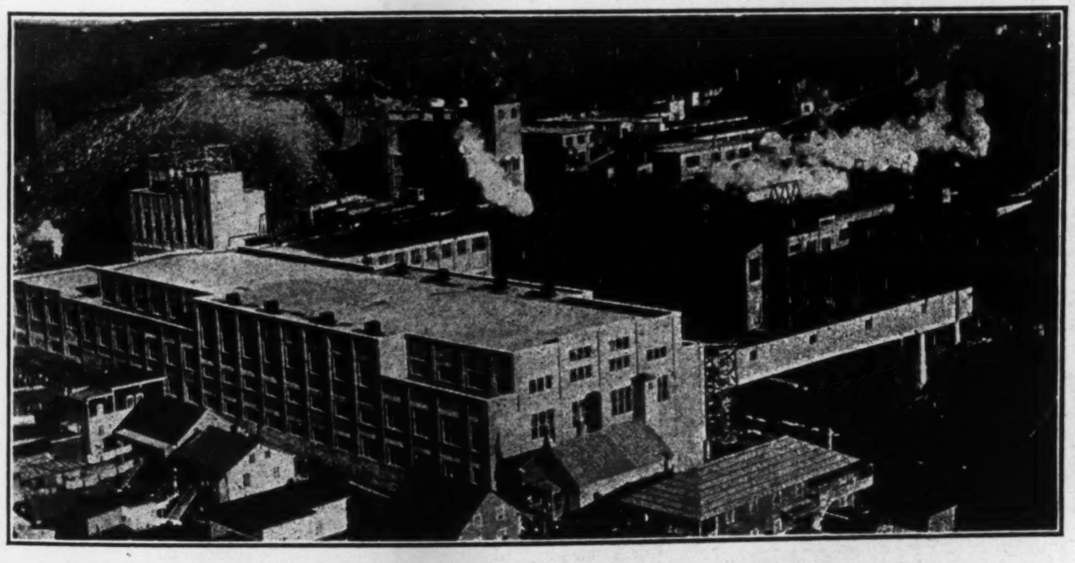


500 Ton Newsprint Mill—The Anglo-Canadian Pulp and Paper Mills, Ltd., Limoilou, Que.

CONSTRUCTING ENGINEERS

NEW BIRKS BUILDING, MONTREAL

"SPEED — SERVICE — SATISFACTION"
IN THE CONSTRUCTION OF
Pulp and Paper Mills—Hydro-Electric Developments
INDUSTRIAL PLANTS OF ALL KINDS



St. Maurice Valley Corporation Ltd. (Belgo Division), Shawinigan Falls, Que.

Aerial View of River Bend Mill, Price Bros. and Co., River Bend, Que.

Mills Take Steps to Insure Wood Supply for Future Use

(Continued from page 33)

or decay can be reduced. It can be reduced indirectly, though, by improved forestry methods which would allow the forest crop to be harvested when it is ripe; thus losses decay particularly, but also through insects, would be reduced.

Forests are, in a way, like agricultural crops. They should be cut when mature. Otherwise decay sets in and there is no annual increment to the forest. The average layman is apt to feel that the provincial and federal governments should set aside forest reserves which should not be touched by the woodman's axe. This is not proper forestry. When a forest reaches a certain point in its growth it should be cut scientifically and new trees allowed to grow up.

Will Meet Requirements

Although the present situation is serious, the Dominion has sufficient forest lands to meet any demands that are likely to be made—provided, and provided only that the forests are properly handled. Unless they be properly handled and proper methods of forestry practice be pursued, the outlook is indeed gloomy. Other means, which can be taken to protect the forests, include decreasing the consumption of pulpwood by waste.

There are many who feel that the salvation of the country's forests lies in the practice of silviculture. Silviculture is not forestry, which is a highly technical subject and may, or may not, involve the planting of young trees. trimming, pruning and other technical systems of growing trees. Silviculture on the other hand is a method of obtaining the maximum yield from a given forest area. In practice it is comparable to agriculture, only the crop is of wood and not grain. The ultimate aim and objective of silviculture is to insure a continuous production of forest products from a definite forest area.

Results of Proper Methods

But intensive methods of forest culture are naturally impractical when applied to the large forest areas of the Dominion. But the application only of the proper methods of cutting to even one-quarter of the accessible forest lands would produce results which would be astounding. It is not to be expected in a new country such as Canada that one will find methods which are in current use in Europe, but strides are being made and it is satisfactory to note that several of the pulp and paper companies have begun already in a small way to manage their forests for a continuous yield.

From an investment point of view it is satisfactory to note that the pulp, and paper companies are in the van of those doing everything in their power both by way of fire prevention and by way of silviculture to prolong the life of the forests. From a national point of view it is satisfactory to see also that strides have been made by the federal and various provincial governments to safeguard the forest resources. On forest areas leased by the federal government specific cutting regulations prevail which are designed to improve the growth of timber and to prolong the life of the trees. Small forest reserves have been placed under working plans to be operated on a budget determined by the rate of growth. In British Columbia the complete utilization of the timber is required on all timber sales. The less valuable trees must not be left to reproduce themselves. Thus the best means of securing desirable reproduction of the forest is obtained. The province of Quebec co-operates with the operators and suspends certain rules and regulations when, and if the operators can show that they are working to conserve the forest.

Some Are Badly Managed

Referring to the timber situation in Quebec, G. C. Piche, chief of the Forest Service of the province, said once that one of the first forestry measures needed in that province was legislation that would give the government the right to control the cutting on private lands. It has been found in Quebec that too often owners of freehold limits have cut the timber with an abandon and with a recklessness which never characterizes the operations of the companies.

As has been said, the pulp and paper companies have been in the van in the endeavor to prolong the life of the forest resources of the Dominion. The Laurentide Company has planted man millions of young trees. By experimentation Spanish River Pulp and Paper Mills have found that by leaving 50 per cent. of the growth the lumberjacks can return in thirty years and again cut out 50 per cent. of the growth.

Much More is Needed

But much forest work yet remains to be done. If the Canadian forests are to be preserved and with such conservation the future of the wood using industries assured, many new policies leading to the greater and more efficient use of our forests must be initiated. Some of these policies include:

Complete forest inventories should be carried out. At the present time the forest wealth of the Dominion is not definitely known. Proper forest policies cannot be initiated on insufficient data.

Few wood products industries should not be allowed to begin operating unless they have sufficient timber resources to justify their existence.

The creation of further permanent forest reserves should be carried out as soon as possible. There are many areas unsuitable for agricultural crops which could be set aside as reserves.

Improved Cutting Regulations

Improved cutting regulations should be put into force to stimulate forest growth and to increase the annual increment.

A vigorous campaign of reforestation is necessary on the millions of acres now scattered throughout the Dominion which are useless for other purposes. Every effort should be made to insure greater economy in forest operation. From 30 to 65 per cent. of the forest is now wasted through various causes such as high stumps, broken trees and logs which sink while being driven to the mill.

The removal of timber affected by insects, fire or by winds from the forests should be made a necessity. This is more important in freehold properties that on Crown forests as those leasing the Crown lands usually look after their forests more efficiently than those holding freehold lands.

Nashwaak Pulp

The Nashwaak Pulp & Paper Company's plant is in Saint John, N.B., where 85 tons of sulphite pulp are produced daily. The company is a subsidiary of the Oxford Paper Company of the United States. The quality of the Nashwaak's output is favorably known in United States markets. The head office of the company is at Saint John, and the plant is at Fairville, N.B.

All present plans and active work is underway tending towards lower costs of production.

Capitalization—

	Outstanding
Preferred	$1,700,000

Of which $850,000 each is owned by the Bryant Paper Co. and Oxford Paper Co.

Funded Debt—

First mortgage 6 per cent. bonds, due $75,000 annually to 1936, $571,800.

Production—Sulphite, daily capacity, 80 tons.

Newfoundland Paper

Being Acquired by International Paper—Further Expansion is Planned

The Newfoundland Power & Paper Co. operates a newsprint plant at Cornerbrook, Newfoundland. In addition the company has a power plant producing 100,000 horsepower located at Deer Lake, some 30 miles from the newsprint mill, which has a rated daily capacity of 400 tons of newsprint. The company owns its own steamships to transport its products to the markets.

The troubles which have come upon this investment of the Sir W. G. Armstrong-Whitworth Company, of England, appear to have been largely due to insufficient investigation of the project before work actually commenced.

Changes in the construction plans necessitated large increases in the capital outlay. In addition, it became necessary to erect certain auxiliary works and utilities and the mills cost more than was originally intended.

The high cost of the project resulted in a reorganization and now the International Paper Company is acquiring the company.

The International Paper Company stepped into the picture just in time to prevent the Newfoundland Paper & Power Company falling down on interest payments on its bond issues which had been guaranteed by the government of Newfoundland and by the British government. The International Paper Co. is to assume these obligations.

It has not been announced just what International Paper Co. is paying for the plant and properties of the Newfoundland Power & Paper Company, but it may not amount to much more than an assumption of the $4,000,000 in debentures, half of which are guaranteed by the Newfoundland government and half by the British government, and an additional £1,000,000 of unguaranteed debentures subsequently issued to secure a bank loan of the company. It is not known if the price to be paid will protect any of the holders of the junior securities of the company.

It is understood that there is a further $10,000,000 of bank loans against the company, and it is said that the Bank of England may obtain $10,000,000 of preferred stock in the Newfoundland company if the property is acquired by the International Paper Co. This might be in lieu of the foregoing bank loan.

To acquire the equity in the property the International Paper Co. agrees to spend $15,000,000 on enlarging it and for other purposes. It will have until 1933 to bring the capacity of the mills from 400 tons to 600 tons daily. To raise the necessary funds it will be necessary to issue another £3,000,000 of debentures ahead of the two guaranteed issues.

The company also agrees to interest itself in the Gander Valley paper mill project. This is controlled by the Reid-Newfoundland Co., but the International is buying it out. The International agrees to build a mill at this site—a 200 tons a day mill, to be finished by 1933. If not completed then, the company may, by paying $50,000 a year forfeit, delay the work two years. The government in turn agrees to build a railway to the mill.

In return of these undertakings of the International Paper Company, the government of Newfoundland makes certain concessions. When the two new mills have been completed, the company will be allowed to export pulpwood from Newfoundland on payment of $1 a cord royalty. The pulpwood is to be cut in the northern areas where the lack of power precludes the establishment of paper mills, and the limit of such export will be one half cord of wood for each ton of paper produced by the new machines to be installed. That is, roughly, 30,000 cords a year for the new Cornerbrook addition, and 30,000 cords a year for the Gander mill. If the mills fall below 80 per cent. of production capacity, export rights are to be suspended. The $1 a cord royalty stands for 20 years, after which the price may be revised in proportion as newsprint prices rise.

On the two properties, the company gets certain tariff concessions on imported machinery. The new International Paper subsidiary will be exempt from ordinary taxes, but will pay $75,000 income tax for four years and $150,000 a year until 1973.

Capitalization—

	Authorized	Outstanding
Pref. 6½%	$10,000,000	$10,000,000
Ordinary	6,000,000	6,000,000
Def. ordinary	5,000,000	5,000,000
Par value $100.		

Funded Debt—

Mortgage debenture stock, series "A," 4½ per cent., due 1948, £2,000,000.

Officers—E. Bernard Smith, pres.; A. Whyte, vice-pres.; T. S. Howard, sec.

Directors—E. B. Smith, A. Whyte, Sir G. S. Barnes (British Treasury Director), T. S. Howard, Maj. D. C. Jennings, H. D. C. Lake (Newfoundland Government Director), H.D. Reid, R. G. Reid, J. Stadler, T. Stoker, H. A. Winter.

Cosmos Imperial Mills
LIMITED

Head Office
HAMILTON, ONTARIO

Sole Manufacturers of "YARMOUTH" *and* "IMPERIAL"
PAPER MAKERS COTTON
DRYER FELTS

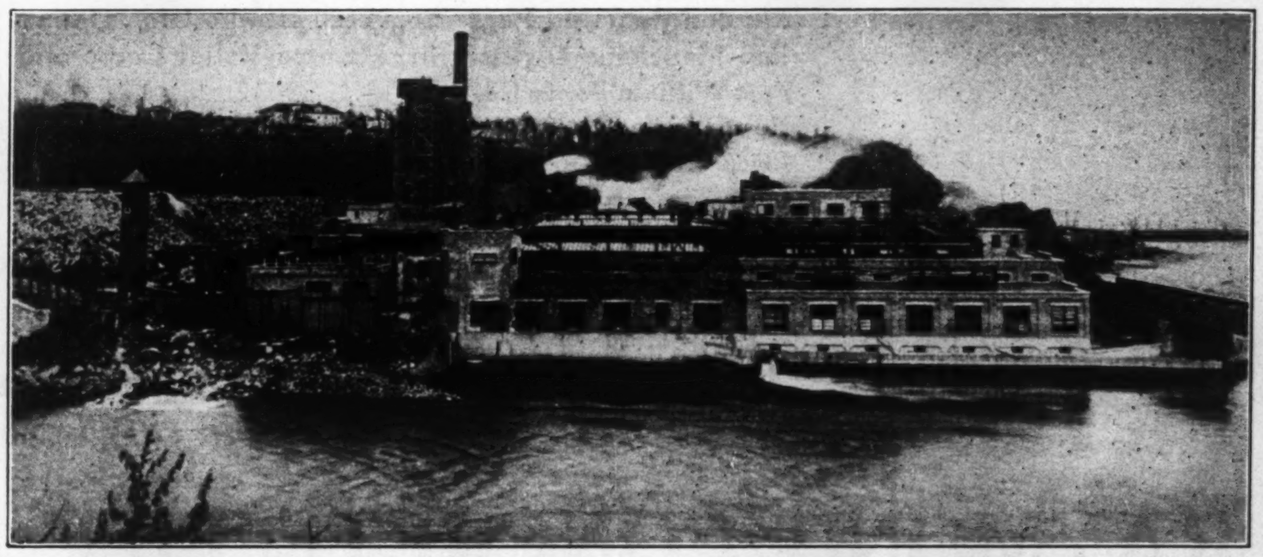
"THE STANDARD OF EXCELLENCE"

Manufactured in Canada in all weights and widths. A most complete range of Dryer Felts furnished in Standard Single Weave and Multiple constructions.

Also Chemically Treated (patented) felts designed to meet special mill conditions.

Mills located at Yarmouth, Nova Scotia, and Hamilton, Ont., insuring prompt deliveries to all paper mill points.

SELLING AGENT:
J. Spencer Turner Company of Canada
Limited
88 Mosley Street, Manchester, England
Sherman Avenue North, Hamilton, Ont.



Plant of the Donnacona Paper Company showing excellent rail and water shipping facilities.

DONNACONA
PAPER CO.
LIMITED

Situated at the junction of the Jacques Cartier and St. Lawrence Rivers, and controlling most of the timber on the watershed of the former, as well as that on the Rivers Sault au Mouton and de Gouffre, The Donnacona Paper Company is strategically located for economical wood supply and convenient water shipments via the St. Lawrence route.

The Donnacona Paper Company owns water powers on the Jacques Cartier River having a present development of 7,600 H.P. and an ultimate capacity of 46,000 H.P.

The plant of the Company has been maintained in the highest efficiency.

The Donnacona Paper Company Limited
DONNACONA
News Print
Donnacona Quebec

This Trade Mark on a roll of newsprint is a guarantee of high quality, correct weight, fine finish and all around excellence.

Manufacturers of
Newsprint Paper
Mechanical Pulp
Sulphite Pulp

Railway Connection: Canadian National

DONNACONA, QUEBEC.

Canadian Paperboard and Northern Paperboard

Plans for Expansion Now Under Way Indicate Future Outlook Satisfactory

The most recent development in the affairs of the Canadian Paperboard Company has been the acquisition of property on the Toronto waterfront, where a mill with a 75 ton daily capacity is to be erected. The new plant will be designed so that its production can be doubled at low cost.

The expansion of the company provides a good index of the results which are being achieved. Improved business conditions throughout the whole Dominion during the past year have widened the market for paperboard, and the company has benefited in consequence. The company is the largest producer in Canada of paperboard, container board and allied products. Its output amounts to about 25 per cent. of the requirements of the Canadian trade. The Canadian demand is not nearly so large per capita as that of the United States. Thus it seems logical to expect that the company's market will grow.

Controlled by Northern

The Canadian Paperboard is a subsidiary of, and is controlled by the Northern Paperboard Co., which is incorporated under Dominion charter. The parent company owns all the outstanding capital stock of the Tidewater Paperboard Company, which operates a large modern paperboard and container board mill at Norwich, Conn. More than 80 per cent. of the common stock of the Canadian company is owned by the parent company. The present capacity of the U. S. mill amounts to 100 tons daily.

The Canadian Paperboard now operates three plants located at Montreal, Quebec, and at Frankford and Campbellford, Ont. These mills have a daily combined capacity of 125 tons of paperboard.

The Canadian Paperboard owns all the preferred and common shares of the Quinte & Trent Valley Power Co., which over a year and a half ago completed the construction of two hydroelectric power plants at Campbellford and Frankford, with a present capacity of 4,000 horsepower. The ultimate installation in these plants will be 6,000 horsepower. The economies effected through purchasing power from this more or less recently created subsidiary should be reflected in reduced operating costs.

Raw Materials Increasing

One of the features of the company is the fact that its supply of raw materials is increasing, as over 85 per cent. of the raw materials used in the plant consist of waste paper. The remaining raw material consists of groundwood pulp. Paperboard is made by a process similar to that of paper, but the pulp runs more slowly through the machines and a thicker product is the result. The company manufactures its own groundwood pulp requirements.

In comparing the income accounts of past years, it is well to remember that the 1926 figures cover only a nine-months period, as the date of the close of the fiscal year was changed from June 30 to March 31 during that year. The company is ably managed and has shown a very satisfactory growth, which ultimately, it would appear, cannot fail to be reflected in the earnings on the common shares.

NORTHERN PAPERBOARD

Capitalization—

	Authorized	Outstanding
Common .... (No par value).	70,000 shs.	x26,005 shs.
Preferred, 7%	$3,000,000	x$1,300,250

x Including amount held to exchange for minority holdings of subsidiary companies.

Company—Owns over 80 per cent. of common stock of Canadian Paperboard Co., and all outstanding stock of Tidewater Paperboard Co., of Norwich, Conn.

CANADIAN PAPERBOARD

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$2,100,500
Pref. 7% .... (Shares, $100 each).	1,000,000	300,000

Funded Debt—

First mortgage, 7 per cent. bonds, due 1937, $695,300.

Dividend Record—

On preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 1. First dividend paid July 1, 1926.

On common 3 per cent. was paid Sept., 1924, 2 per cent. paid Sept., 1925, none since.

Officers and Directors—

J. G. Kerry, pres.; J. R. Walker, vice-pres.; S. Johnston, Hon. E. D. Smith, J. A. Rougvie, J. Kerry, D. F. Robertson, gen. mgr.; C. E. Whitten, sec.-treas.

Income and Surplus Account, Years Ending June 30.

	x1926	1925	1924
Sales	$1,241,294	$1,540,697	$1,667,975
Cost of goods	1,050,245	1,331,940	1,388,685
Gross profit	191,049	208,757	279,290
Other income	16,404	29,684	22,165
Total	207,453	238,441	301,455
Less: Expenses	77,464	92,498	102,621
Int. and taxes	47,978	68,270	43,063
Depreciation	30,000	40,000	80,000
Other expenses	1,660	......	......
Net profits	50,351	37,673	75,771
Dividends	42,010	63,015	......
Surplus for year	8,341	†25,342	75,771
Prev. surplus	81,558	106,901	31,131
Bal. carried for.	89,899	81,559	106,902
Earnings on Capital Stock—			
On preferred	17.33%	......	......
On common	1.47%	1.79%	3.60%

x Year ending March 31.
† Deficit.

OPPORTUNITIES IN MANITOBA

The Industrial Development Board of Manitoba, a semi-official body, organized two years ago by the Manitoba Government and the City of Winnipeg to encourage a balanced growth of industry in the province, has recently published a brochure outlining the natural resources and industrial advantages of the Province of Manitoba and containing a list of one hundred and one openings for industry. The brochure points out that there are more than three thousand commodities made in other provinces of Canada which are not made in Manitoba. The list included in the booklet includes only those best adapted to the western field.

Copies of the brochure may be secured by writing to the Industrial Development Board of Manitoba, Confederation Life Bldg., Winnipeg, Man.

CANADA MAKING MORE THAN THIRD OF NEWS OUTPUT

(Continued from page 33)

a peculiar factor of ownership which is enabling us to develop them more advantageously than our neighbor to the South. The huge investments necessary for high efficiency in modern pulp and paper mills are only made possible by large tracts of conveniently located softwood. This condition does not obtain on the average in the United States, where forest areas are largely split up amongst a multifarity of small owners, rendering large scale operations exceedingly difficult of negotiation.

In Canada, 90 per cent. of the ownership of the soil rights in the Dominion is retained in the Crown; of the available pulpwood stands only one-sixty is alienated in fee simple. This condition makes for larger scale operations, and has been in part responsible for the migration of pulp and paper industry in Canada.

Canada exports more than the whole of the rest of the world put together. Her exports are seven times as large as those of Germany, her nearest competitor in the export market.

Not very long ago we only supplied the United States and the United Kingdom with raw materials for making their own newsprint. We were merely "hewers of wood." Now we manufacture at home, and our youngest basic industry not only stands on its own feet but towers above all competition.

It towers well above all other Canadian manufacturing industries.

AIRPLANES LOWER COMPANIES' COSTS

(Continued from page 33)

est survey map made from data collected on the ground. It shows essentially the same features, forest types, etc., and the amount of detail is controlled by the same principal factor, namely, the cost appropriation. Sometimes the form of map that will best serve the special purpose desired is obtained, but usually the money allowance makes it necessary to dispense with some detail. The sketch work is done by a specially trained forester during the flights. He directs the course of the machine by a set of prearranged signals between himself and the pilot, and sketches the required detail on the best available map of the district, enlarged to a convenient scale and mounted, in sections, on beaverboard. If the original map is accurate and reasonably detailed as to topographical information, the sketch work is simplified and a very reliable and detailed forest type map can be produced by a skilful sketcher. If the base map is not reasonably detailed, the accuracy of the sketch will be reduced and the types broader. So these are additional factors controlling the class of work done.

The main advantages over ground work are the speed of production and low cost. From 30 to 300 square miles may be mapped in one hour, depending upon the class of work required. The cost varies from $10 to $1.50 per square mile. This is many times cheaper than any known ground method, and puts the work within reach of every forest owner.

PULPWOOD EXPORTS ARE VERY LARGELY PROHIBITED NOW

(Continued from page 33)

course, the sole foreign market for Canadian pulpwood.

The following figures reveal clearly the trend towards an increased use of a much greater proportion of the total pulpwood cut in the Dominion.

Cords	Total Product'n.	Used in Canadian Mills	Exported
1908	1,325,085	482,777	842,308
1909	1,557,753	622,129	935,624
1910	1,541,628	598,487	943,141
1911	1,520,227	672,288	847,939
1912	1,846,910	866,042	980,868
1913	2,144,064	1,109,034	1,035,000
1914	2,196,884	1,224,376	972,508
1915	2,355,550	1,405,836	949,714
1916	2,833,119	1,764,912	1,067,207
1917	3,122,179	2,104,334	1,017,845
1918	3,560,280	2,210,744	1,349,536
1919	3,498,981	2,428,706	1,070,275
1920	4,024,826	2,777,422	1,247,404
1921	3,273,131	2,180,578	1,092,558
1922	3,923,940	2,912,608	1,011,332
1923	4,654,663	3,270,433	1,384,230
1924	4,647,201	3,316,951	1,330,250
1925	5,092,461	3,668,959	1,423,502
1926	*5,400,000	*4,008,262	1,391,738

*Estimated.

The pulpwood is delivered to the pulp mills in different ways. Logs eight feet and upwards are either floated in booms or rafts or delivered on railway cars. Wood cut in two-foot or four-foot length is seldom "driven" or floated to the mills, but it is delivered by railway cars or vessel. Generally speaking, wood sold by farmers is cut in short length and often peeled in the woods. Material in long lengths must first pass through the "cut-up" mill where it is cut into two or four-foot lengths. The next stage in the preparation is the removal of the bark in a "rossing" or "barking" mill. This preliminary preparation of wood is frequently carried on at the pulp mill but there are in Canada a number of "cutting-up" and "rossing" mills operated on an independent basis, chiefly for the purpose of saving freight on material cut at a distance from the pulp-mill or material intended for exportation.

Cord is Usual Measure

The cord of 128 cubic feet of piled material has been the usual measure for pulpwood in the past but owing to the fact that the most of the pulpwood used in Canadian pulp mills is now being cut and transported to the mills in the log form it has become the practice in some provinces to scale the material in the woods in cubic feet or board feet and to convert these figures into cords if necessary in connection with the payment of government dues. The necessary converting factors vary according to the size of the logs to the log scale in use and in many cases the figures in cords must be finally reconverted into cu. ft. for the benefit of the pulp maker. The resulting confusion has led to the adoption of a unit of measurement consisting of one hundred cubic feet of solid wood. This unit can be used by both scaler and pulp maker and in time will probably be made the basis for the payment of government dues. Its use has met with the approval of pulp and paper associations both in eastern Canada and the United States and seems to be increasing. The name "cunit" has been suggested for this unit of measurement. In the province of British Columbia pulpwood is frequently scaled in board feet and the scale converted into cords on the assumption that a cord is equal to 700 feet board measure (B. B. Log Scale).

Practically Prohibited

Dominion and provincial legislation and regulations practically prohibit the exportation of unmanufactured pulpwood cut on Crown lands in every province in Canada but Nova Scotia. Ontario was the first province to restrict the exportation of pulpwood. Legislation which became effective on April 30, 1900, prohibited the exportation of unmanufactured pulpwoodwood cut on Crown lands within the province. Similar Dominion legislation covering Dominion Crown lands in the Prairie Provinces and elsewhere came into force in 1907. Similar restrictions became effective in Quebec after May 1, 1910, and in New Brunswick after October 1, 1911. The exportation of Crown land pulpwood was prohibited from British Columbia in 1913. Crown lands constitute by far the greater proportion of the pulpwood resources of the Dominion.

EXPECT SURPLUS OF KRAFT PAPER IN UNITED STATES

(Continued from page 33)

for general use. It is the backbone of the wrapping paper branch of the paper industry, since it constitutes by quantity and by value approximately one-third of the entire output. The value of the production of wrapping paper in 1925 was approximately $145,000,000, of which amount over $50,000,000 was kraft. On account of the increased production last year the value of kraft output was probably in the neighborhood of $55,000,000 or $60,000,000.

"Kraft enters most extensively into our commercial and business activities both as a protective cover for goods and merchandise and in innumerable other ways.

"The accepted grades of kraft are 'convertible,' 'No. 1' and 'No. 2.' The convertible kraft industry is situated in the North, where it is likely to remain for a long time on account of the nature of the raw material, equipment and skill of the workmen acquired through years of experience. No. 1 kraft paper is used for a variety of important purposes. One of its familiar uses is in the manufacture of strong envelopes and for high-grade wrappings; this grade of paper, also made chiefly in the Northern mills, is unsurpassed anywhere in the world. No. 2 craft includes all lower qualities. Paper manufactured in the South is usually designated as 'Southern,' which includes the better as well as the lower grades.

"The manufacture of kraft paper in the United States began about twenty years ago. As is true of many other basic industries, its production started on the scene of abundant raw material and power. Therefore the industry was first established in New England and New York. After a few years, the rapid development of the Middle West and the abundant supplies of pulpwood available in the Lake States made possible the development of a sizeable kraft paper industry in that area.

"Perhaps there is no single factor that will have a greater influence on the future of the paper industry than the opening up of the vast quick-growing resin wood areas in the South. Present productive capacity in the South is estimated to be round 200,000 tons annually, which is over one-third of the yearly output of kraft paper in the United States.

"The kraft paper industry in the Pacific Northwest is still in its infancy. However, the several projects contemplated promise to make the mills established in that area an integral factor in the American kraft paper industry. This development in the timber region between the Rockies and the Cascades marks the exploitation of the last great stronghold of American pulp timber supplies.

"In the South and Northwest there are abundant supplies of raw material. These areas are becoming rapidly the big competitive factors in the domestic kraft paper industry in the United States and producers in these low-cost mills are in large measure the price determinants of the industry. For this reason additional manufacturing facilities to take care of a normal expansion in demand are being installed where raw material is cheap and abundant.

"In the twenty years or so of the existence of the kraft paper industry steady progress has been made in technical improvements and in volume of output. The American industry suffered a setback in the period of post-war depression, recovery from which was slower in many other industries. Demand for kraft has no doubt kept pace with growing commercial activity, but productive capacity has exceeded the bounds of conservatism. With further expansion in progress, the industry awaits with interest the ultimate effects of recent developments on the long-time trend."

Dominion and Provincial
Government Bonds

Municipal Bonds

Public Utility
and
Industrial Financing

Foreign Issues Quoted

DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901

MONTREAL OFFICE
189 St. James Street

E. R. WOOD, President
Head Office: 26 King Street East
TORONTO 2

LONDON, ENG., OFFICE
No. 6 Austin Friars

Nashwaak Pulp & Paper Co., Limited
St. John, N. B., Canada

Prime Bleached Spruce
Sulphite Pulp

New York Office: 200 Fifth Avenue

Aerial view showing the Laurentide Company's mill and the plant of the Laurentide Power Company. Immediately adjacent hydro-power has always been a strategic factor in Laurentide's low operating costs. In the left center, part of the model town of Grand'Mere is seen.

THE LAURENTIDE

COMPANY LIMITED

BEGINNING operations as a saw mill and pulp mill in the early '80's, the Laurentide Pulp Company Limited, became incorporated on June 1, 1887. For the next ten years groundwood pulp only was manufactured at the mill, but in 1897 the company began the construction of its paper and sulphite mill. This marked the development of what is now the Laurentide Company. Five years later, in 1902, the present head of the company assumed management. Since that date a steady growth has been maintained.

The Laurentide Company, with a present daily capacity of newsprint, cardboard and paper of 400 tons, is one of the larger paper mills of the Dominion.

The company has more than kept pace with the constant mutation in methods of manufacture throughout the industry. It was the first company in the world to make paper at a speed of 1,000 feet a minute. Its forest policy and its re-forestration methods are outstanding in the industry. The equipment in the mills has been reconstructed twice and in many cases thrice since the plant first went into operation. Thus to-day, nothing remains of the original installation and the company's equipment is up-to-date in every way.

A new steam plant which uses pulverized fuel has just been completed, thus reducing steam costs.

The development of a subsidiary power company and other engineering accomplishments have added greatly to the natural advantages of the location of this mill.

The great bulk of the company's wood supply is floated down the St. Maurice River. The Quebec Government has constructed a large storage dam at the head waters of the river, and thus an even flow of water at the mill and at the subsidiary power plant is assured.

In addition to the thousands of woodsmen employed to cut pulpwood, the mill employs permanently about 1,000 men at Grand' Mere.

During the past year the company has materially increased its timber limits adjacent to the mill. Further timber acquisitions may be anticipated.

The company has a tangible asset in the charming town of Grand' Mere which it has built up to enable its employees to live comfortably.

Manufacturers of NEWSPRINT PAPER *and* WOOD BOARDS

Affiliated with

Canadian Newsprint Company, Limited

HEAD OFFICE AND MILLS, GRAND' MERE, P. Q.

Powell River Company is One of the Foremost in Newsprint Industry

Company, Owning Townsite, Has Established Happy Community With Native Canadian Employees Predominating

One of the growing and important industries of British Columbia is the Powell River Co., which operates a complete and thoroughly modern newsprint mill on the Pacific Coast. The company, while owned by Minneapolis interests, is one of the leaders in establishing complete processes in the province and has been extraordinarily considerate in giving employment not only to native Canadians, but to war veterans whenever it is possible.

Following are excerpts from a series of articles which recently appeared in the Western Lumberman, which, along with the Pacific Pulp & Paper Industry, has found the company and its operations an interesting study from a technical viewpoint. From the viewpoint of the public generally the operations of the company are interesting in that the company has succeeded in establishing happy relations with employees, although the townsite, wholly owned by the company, is isolated.

It was in 1907, that the first surveys of the timber and water power at Powell River was made with a view to establishing a pulp and paper plant there. Development of the pulp mill was first mooted in 1910. The first shipment of paper was in April, 1912, when a small cargo left the wharf for the use of Pacific Coast newspapers. To-day scow-loads and cargoes leave almost daily for distant ports carrying the output of the mill, approximately 350 tons each 24 hours. In naming the countries that buy Powell River paper, one must touch all the world, for there are customers in Canada, United States, Argentine, Australia, New Zealand, Fiji and Continental Europe.

Some of the world's leading newspapers are printed on Powell River paper. In the United States papers from Seattle to San Francisco and eastward as far as Fort Worth, Texas and Kansas City consume each year tons of the British Columbia product. The largest single purchaser is The Seattle Times of Seattle, Washington, and in the Middle West, The Kansas City Star, with its gigantic circulation, is a big consumer of this product. As many as thirty-two freighters and scows pass out each month from Powell River harbor. The most northerly town buying the paper is Prince Rupert, British Columbia, while the farthest south consumer is Buenos Aires, Argentine.

Is Distinctive Product

Powell River paper stands up well before all competitors; it has a special blue-white color which pleases publishers and advertisers, as well as the millions of readers who daily handle it. Continuous study and experiment has resulted in special processes which give the output of this mill a fine printing surface, great strength and exceptional color advantages. Thus it is that in the markets of the world it is distinctive.

The townsite of Powell River is about seventy miles north of Vancouver on the west coast of British Columbia. The mill is situated on the waterfront, about one mile from and below Powell Lake. An excellent boat service makes the trip an attractive one to tourists and the big smoke-stacks of the Powell River Company, together with the picturesque town laid out around the works and supported by them, form a well-known land-mark to coast travellers.

A visit to the plant is full of interest. Logs are brought, for the most part, from the upper coast and the Queen Charlotte Islands by the company's own tugs, and yarded in a long pond, where the rafts are broken down and the wood separated into the various species, hemlock, spruce and larch for paper-making, fir and cedar for lumber.

Newsprint paper is made of two different kinds of pulp—ground-wood, made by a mechanical process, and sulphite, made chemically. Both kinds of pulp are made in this plant and mixed as described later for use in the paper machines. About 75 per cent. groundwood and 25 per cent. sulphite is the proportion ordinarily used. In the grinder room some of the grinders are supplied with spruce and the rest with a mixture of larch and hemlock, the woods being switched at intervals. In making sulphite only larch and hemlock are used. The mechanical process produces a short-fibre pulp, whereas the cooking process leaves a long fibre of practically pure cellulose. By mixing the two together a sheet of the requisite strength and finish can be made.

Treatment of Wood

The logs are delivered by the log haul to a sawmill which is equipped with two band mills. One side of the sawmill is built for the handling of wood for making pulp only. The other side is so arranged that lumber for use in the mill and on the townsite can be cut as well as pulpwood. The logs are ripped into slabs six or eight inches in thickness on the band mills. Afterwards they pass through an edger which rips the slabs into sticks six or eight inches wide. These sticks are then passed through the slasher where they are cross-cut by a gang of saws into pieces thirty-two inches long.

In the process of sawing large logs a portion of the wood naturally carries bark while the rest of the wood is from the inside of the log and free from bark and dirt. The slasher discharges onto an air-operated swinging apron by means of which the two kinds of wood are separated, the clean blocks and those having bark adhering being carried away by separate conveyors. As the wood travels along these conveyors short ends and pieces with big knots or rot are picked out and sent to the waste conveyor, eventually landing in the boiler house where they are used for fuel.

The blocks now pass from the sawmill to the wood room where the inside wood is passed directly to the chippers or to the grinder room flume, as may be required, and the outside blocks are fed to the first units of the barking plant. These are four revolving drums eight and one-half feet in diameter and thirty feet long, built up of structural steel sections and with inner surfaces composed of heavy "U" shaped bars. The blocks are fed continuously into one end of these drums, which are kept half full of wood. As the drums revolve the wood is tumbled over, the pieces knocking against each other and against the corrugated walls, eventually falling out of the other end of the drum with most of the bark knocked off. The wood is then fed into two wet barkers which are similar to the dry barkers, except that, while the wood is being tumbled, it is subjected to the action of a stream of water which loosens up and washes off pieces of dirt which have become embedded in the surface during its treatment in the dry barkers. Despite this treatment there will still be found some blocks retaining a portion of the bark, the number of these pieces varying according to the quality of the wood dealt with. These pieces are picked out and the bark removed by knife barkers, the latter consisting of heavy iron discs carrying knives on their faces, which are revolved at a moderately high speed and shave off the bark and wood of the blocks held against them. The use of the knife barker, removing as it does wood as well as bark, and involving hand labor, is avoided as much as possible, but is made necessary by the importance of having perfectly clean stock for use in the process of paper-making.

Conveyors Are Used

That part of the wood intended for use in the sulphite plant is now sent to the chippers, which machines are similar to the knife barkers, but of much heavier construction. The blocks of wood are fed down to the chippers at an angle of about 45 degrees to the face of the disc, so that the knives slice pieces off the ends of the blocks diagonally. These pieces pass through the disc onto a conveyor which carries them to the chip breaker. This machine breaks up the slices of wood into small chips about three-quarters of an inch in length in the direction of the grain. The chips are then elevated onto flat screens which remove first, the sawdust, and then the good chips. That part of the product which remains on the screens, and which we call tailings, together with the saw-dust, is then carried away with the waste to the boiler house. The good chips are then given a further screening in revolving screens, after which they pass to the chip storage bin and thence to the digester house.

It is hardly necessary to say that throughout these processes, conveyers are used for every movement of the wood. In the basement of the sawmill and also in the wood room there are complete systems of conveyers for gathering the waste from every point, saws, barkers, chippers, screens, sorting tables and so on, all this material being sent to the boiler house for use as fuel. In the sawmill there are two hogs which are being used to break down the short ends of blocks, waste slabs, rotten wood and other material unsuitable for paper-making into a suitable form for feeding to the furnaces. The wood room is also equipped with hogs to insure the proper breaking down of shavings from the knife barkers.

Canadians and Veterans Preferred

There are steadily engaged at the plant 1,550 men. Their wages range from $3.84 for an eight-hour day upward. Powell River is a young man's town, the average age of the employees there being thirty-seven years. In the construction of the mill the company has shown a preference for the Canadian and British product, and in the selection of men to man the plant effort has been made all along the line to employ returned soldiers, and it is stated that 55 per cent. of the personnel at Powell River are returned men.

Development there has created a need for skilled office men and women and in the executive offices 42 young men are employed, while throughout the plant there are 50 women employees.

In building Powell River, the founders paid special attention to the social and educational needs of the community. Two splendid schools have been built and three churches provide ample opportunity for the various denominations to worship.

If the ownership of motor cars may be taken as an index to the prosperity of a community, then Powell River must indeed be made up of well-to-do people, for there are in that small town no less than 450 motor cars. An ironical feature is that despite the large number of motor cars in proportion to the population there is a decided brevity of highway mileage. Powell River is isolated; there are but a few miles of roads within the town and connecting the town with outlying points is a total mileage of highway construction which does not exceed twenty miles. On land and sea, the employers and their families may enjoy life. On Powell Lake there are perhaps 75 boat houses providing shelter for a similar number of motor boats and yachts, some of them costing $300 or more and others costing twice as many thousands of dollars; and if twenty miles or so is the total extent of a motor trip possible in the immediate surroundings of Powell River, one may go forty miles and back in a motor boat on the broad, placid bosom of Powell Lake, amid some of the most enchanting scenery that exists anywhere in the world.

Is Modern Town

There are 400 houses on the townsite, each modern and each constructed along beautiful lines and occupying its own grounds and having its own garden. There are 40 new houses at the present time under construction and others are being planned to occupy the high land to the south of the present townsite overlooking the broad Pacific. In the town there are between four and five miles of streets lined with trees. There are miles and miles of sidewalks and throughout there are electric street lights. Four and a half miles of water mains carry to the town and to the mill an abundance of sparkling cold mountain water. Indicating again a progress and prosperity of the community, there are at Powell River over 200 hundred telephones and an excellent service.

There is not in the entire country a more beautiful or more sporty nine-hole golf course than that which has been provided for the pleasure of the Powell River community. The club employs a professional and fixes a scale of fees which makes it possible for any employee who loves the royal and ancient game to engage in the pastime there at little cost. Indeed, in this respect workmen at Powell River enjoy the opportunities of pleasure and recreation which in some of the larger industrial centres are reserved for only the rich. There are also open at all seasons of the year two double tennis courts and there is a lawn bowling green, which is lighted at night by powerful kleig lights. This green is the pride of the bowlers of the town and perhaps is not to be equalled by any other bowling green on the Pacific Coast.

Indicating the happy community spirit of the people, it might be pointed out that there are at Powell River, a number of fraternal organizations having their own lodge rooms; there is a lodge of the Ancient Free and Accepted Masons, an Elks Lodge, a branch of the Moose Lodge, Knights of Pythias, Pythian Sisters, Order of the Eastern Star and of the Native Sons of Canada. Also at Powell River, is a branch of the Caledonian Society.

Indicating the manner in which a community may be developed by a modern industrial project, such as that at Powell River, there are residing on newly made farms adjoining the townsite a population of 1,600 people. Workmen have gone into the wilderness and there have carved out lovely suburban homes. The towns which have sprung up nearby are: Wildwood, Cranberry, Michigan and Westover. The stranger passing through these communities in the summer time is impressed by the robust and happy children on every hand and the magnificent gardens.

One of the features adding materially to the pleasure of the community in summer is the bathing beach maintained by the company at a convenient point. Here have been built modern bath houses and lockers and here a competent life guard is on hand at all hours of the day to maintain a watchful care over the little children. The beach slopes gently and is of the finest sand, and bathing in the warm salt waters of the Pacific is possible for six months of the year.

Hunting and fishing are popular pastimes of the men. Salmon trout may be caught in the sea, while in the swift-running waters of the hinterland cutthroat and rainbow trout may be had by the expert angler. The hills abound with big game and in the lower areas at the right season grouse and duck may be had.

Process is Described

In the making of paper the woods used are of the coniferous variety. The process is simple as to its basic idea, yet wonderful in its results; when one realizes that a tree which is standing to-day could, if necessary, be converted into a newspaper on the morrow, one appreciates the magic of the transition. Two kinds of pulp—sulphite and groundwood—go into the making of newsprint paper. In preparing the sulphite, or chemical pulp, logs are cut into blocks eight or ten inches square and thirty-two inches long and then fed into a machine which cuts or chips the wood to a size most suitable for the cooking process. After passing over screens the chips are carried to the digester tanks, where they are immersed in sulphurous acid, treated with steam under pressure and allowed to cook for nine to twelve hours. The pulp is then subjected to a very careful washing and screening and finally carried to the mixing tanks in the beater room.

The groundwood, or mechanical, pulp is obtained by putting the spruce and hemlock blocks into machines known as grinders, of which there are twenty-eight in the present plant. Each machine consists of a grinding stone weighing over three tons, encased in a large casting fitted with three pockets. When the wood is placed in the pockets pressure is exerted through hydraulic pistons, forcing the wood against the stone and grinding it to a pulp. Water is introduced to cool the stone and dilute the stock, which is then washed and screened before being pumped to the beater room, where the sulphite and groundwood pulps are mixed in the correct proportion.

The sulphite pulp, being more fibrous than groundwood, acts as a binder in the making of paper in much the same way as hair holds together the component parts of mortar. The two kinds of stock are thoroughly agitated in mixing tanks, the necessary color being added at the same time, before they are sent to the machine rooms. Here the pulp is diluted to a very low consistency and is then allowed to flow onto a fast-moving and endless wire screen of exceedingly fine mesh. The pulp is caught and interwoven on the mesh as the water drains through; this action is assisted by suction applied from below the screen. After formation the sheet is lifted from the wire by a couch roll and passed to a series of endless felts which carry it between heavy rolls. From the wet end of the machine the sheet is jumped to a wide canvas belt which carries and guides it over and under large cylinders heated by steam. This process causes gradual drying of the sheet so that when it reaches the other end of the machine it is in condition to be passed between heavy steel rollers, where the necessary finish and surface is obtained. Finally, it is wound on reels for rewinding, cutting, wrapping and shipment to the purchaser.

Capitalization—

	Authorised	Outstanding
Common	$4,500,000	$3,500,400
Pref. 7%	5,500,000	5,250,600

(Par $100. Stock is close held.)

In Aug., 1926, the capital stock was changed from 100,000 shares of $100 each to two classes of shares, namely, 55,000 7% cumulative pref. shares of $100 each and 45,000 common shares of $100 each. The outstanding pref. shares were issued as a 150% dividend.

Funded Debt—

First mortgage bonds 6 per cent., $262,000, due annually Jan. 1, 1928, and 1929; serial gold notes, 5 per cent., due 1928 to 1933, $4,000,000.

Officers and Directors—

D. F. Brooks, pres.; S. D. Brooks, vice-pres.; A. E. McMaster, gen. mgr.; N. R. Lang, man. dir.; A. S. Brooks, Treas.; M. J. Scanlon, vice-pres.; H. K. Brooks, sec.; F. T. Griffith.

Production—

Daily capacity: groundwood pulp, 359 tons; sulphite pulp, 119 tons; newsprint paper, 460 tons.

Canadian Mills Have Good Domestic Market

Canadian paper makers are obtaining a large proportion of the Canadian market. Imports of paper in 1925 fiscal year totalled $1,481,000, in the next year $1,753,000, and in the 1927 fiscal year $1,483,000.

With newsprint, of course, the Canadian mills have kept out foreign imports entirely, but in the higher grades of paper it is interesting to note that imports have remained stationary despite the healthy business expansion throughout the Dominion in the past three years. This expansion has increased markedly the demand for all kinds of paper.

The imports of paper into this country are confined principally to those grades which are not manufactured domestically. This includes certain specialties for which there is but a limited domestic demand. Thus the domestic fine and kraft paper producers are winning a higher per centage of the domestic paper market.

COVERS LAKE ERIE

Canada's output of nearly 1,500,000 tons of newsprint annually, is sufficient to cover an area of 10,000 square miles. It would completely blanket the surface of Lake Erie.

Financing Canada's Forest Industries

THIS Corporation has been prominently identified with the financing of Canadian pulp, paper and lumber industries for the past seventeen years.

During that period we have underwritten and distributed issues of securities which have provided many millions of dollars for the commercial development of Canada's forest and power resources.

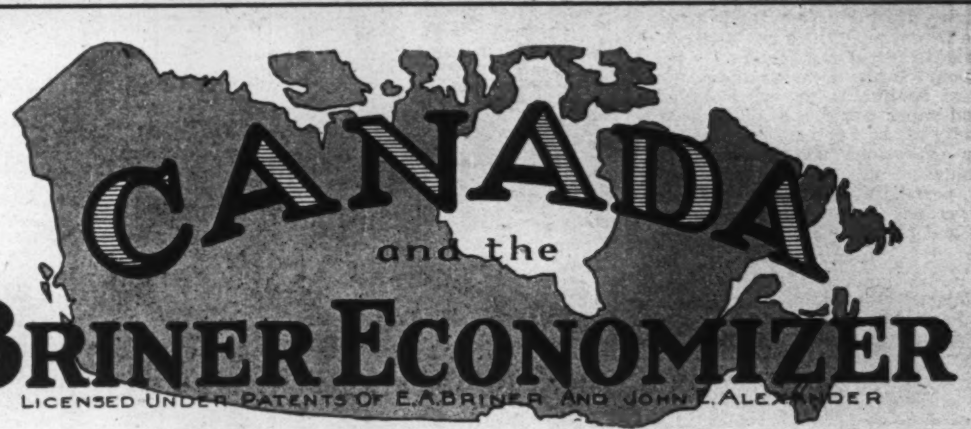
Among the well-known companies whose securities we have sold to investors are the following:

Abitibi Power & Paper Company, Limited
Abitibi Fibre Company, Limited
Bathurst Company, Limited
British Columbia Pulp & Paper Company, Limited
Continental Paper Products, Limited
Donnacona Paper Company, Limited
Fraser Companies, Limited
Manitoba Paper Company, Limited
Price Brothers & Company, Limited
Spanish River Pulp & Paper Mills, Limited
Stetson, Cutler & Company, Limited

This long and active connection with the development of the Canadian pulp and paper industry has naturally enabled us to accumulate very complete information regarding the industry and the securities of individual companies.

To present and prospective investors we offer exceptional facilities for supplying market quotations, information and advice.

Royal Securities Corporation
Limited
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec Winnipeg
Vancouver New York Charlottetown
Hamilton Calgary Victoria Saint John's, Nfld.



A nation-wide endorsement—first, of this organization's methods of designing, manufacturing and installing paper mill heating and ventilating systems and — second, of the efficiency and economy resulting from operation of this system that saves steam by utilizing waste heat.

INSTALLATIONS IN CANADA ONLY—
NOW OPERATING OR BEING COMPLETED

Anglo-Canadian Pulp & Paper Co., Ltd.
Anglo Newfoundland Development Co., Ltd.
Backus-Brooks Company
Bathurst Company, Limited
Beaver Wood Fibre Co., Limited
Brompton Pulp & Paper Co., Ltd.
Canada Paper Company, Limited
Canadian International Paper Co.
Donnacona Paper Company, Limited
Dryden Paper Company, Limited
E. B. Eddy Company, Limited
Laurentide Company, Limited
Manitoba Paper Co., Limited
Mattagami Pulp & Paper Co., Ltd.
Newfoundland Pulp & Paper Co., Ltd.
Port Alfred Pulp & Paper Co., Ltd.
Powell River Company, Limited
Price Bros. & Company, Ltd.
Provincial Paper Company, Ltd.
Riordan Pulp Corporation
Spruce Falls Company, Limited
St. Lawrence Paper Mills, Ltd.
St. Anne Pulp & Paper Company
St. Maurice Valley Corporation
Thunder Bay Paper Co., Limited
Wayagamack Pulp & Paper Co., Ltd.

The individual names of the companies listed above represent installations on from one to nine machines in the mills of their various divisions. Such a list speaks for itself.

ROSS ENGINEERING OF CANADA, LIMITED
New Birks Bldg., Montreal

ROSS SYSTEMS
HEATING—VENTILATING—DRYING

Provincial Paper Ltd.

New Company Organized in Present Year Has Advantage of Active Management Inherited from Successful Predecessor

Provincial Paper, was incorporated under the laws of Ontario in 1927, to acquire, as a going concern, all the assets of Provincial Paper Mills, Limited, which had its inception in 1909 by the purchase by the present management, of the plant and equipment of the Cornwall Paper Manufacturing Co., at Mille Roches, near Cornwall, Ontario.

Subsequently, to take care of its expanding business, plants have been constructed or acquired at Port Arthur, Thorold and Georgetown, all in the Province of Ontario, Canada, until now its several operating units include eight paper machines, six paper coating machines and sulphite and groundwood mills having a daily capacity of paper production of more than 190 tons. Its timber limits are advantageously located in close proximity to the company's pulp and paper mill at Port Arthur, and exceed 2,500 square miles in extent.

The product of the business consists principally of high-grade book, bond, coated and writing papers, including a wide range of grades and qualities, used in the manufacturing of books, magazines, catalogues, trade journals, newspaper supplements and stationery. The following figures of tonnage production show growth:

	Tons
1910	3,319
1915	13,676
1921	33,447
1922	40,476
1923	51,497
1924	57,049
1925	60,351
1926	60,051

In combined output the company is now the largest manufacturer and distributor in Canada of high-grade book, coated and writing papers.

Buy John Martin Co.

The advantages to be derived from a wide distribution throughout the whole of Canada led the management to establish desirable channels for sales in each of the Canadian provinces through firms long established in the paper trade. In 1926 the John Martin Paper Company, Limited, now known as Provincial Paper Sales, Limited, the largest distributor of all grades of paper in Alberta, Saskatchewan and Manitoba, was acquired and the effect of this purchase is now being felt in increased distribution in these provinces. These facilities, combined with the location of the plants at Mille Roches to supply Montreal and the Eastern market, at Thorold and Georgetown to supply Toronto and the Ontario market, and at Port Arthur to supply the needs of Western Canada, place the company in a favored position for making an economical distribution of its products.

Second Machine Installed

During 1926, as a result of the purchase from the Ontario government of the rights to cut pulpwood on several additional large areas in the vicinity of Port Arthur, there was installed a second paper machine of 60 tons daily capacity at the Port Arthur plant, and other extensions were made to the groundwood and sulphite pulp plants, thus permitting an increase during the present year in output of both pulp and paper.

Management

I. H. Weldon and S. F. Duncan, who established this business in 1909 and who have been in control of its activities during the past eighteen years, continue actively in the management. The established policies of the company, which have contributed to the growth of the business and which have obtained the goodwill of the paper trade throughout Canada, will continue unchanged.

Assets

The assets of the company at the date of their acquisition from Provincial Paper Mills, Ltd., were substantially as follows:

Fixed assets, consisting of property, plant, timber limits, etc., incl. expenditure on plant and equipment since Dec. 31, 1926.	$ 8,400,000
Investments in sub. companies and gov. deposits on timber limits	504,764
Net current assets	1,350,000
Total value of net tangible assets	$10,254,764

The value of fixed assets contains only a nominal amount for the woods areas of the company, sufficient, it is conservatively estimated, to supply all the company's requirements on the present basis of operation for more than forty years.

Earnings

Based on earnings of Provincial Paper Mills, Limited, as certified by the company's auditors, after deducting interest on the $5,300,000 First Mortgage 5½% Bonds presently to be outstanding, and federal income taxes (calculated after allowance for depreciation actually written off) it is estimated that net earnings available for dividends on this issue of preferred stock and depreciation, would have been as follows:

Average annual earnings, 7 years ended Dec. 31, 1926.	$610,251
Average annual earnings, 3 years ended Dec. 31, 1926.	717,293
Earnings for the fiscal year ended Dec. 31, 1926	874,008
Total dividend requirements on the present issue	245,000

Following are figures concerning the old company:

Capitalization—

	Authorized	Outstanding
Common ...... No par value.	100,000 shs.	100,000 shs.
7% cum. pref. .... Par $100.	$3,500,000	$3,500,000

Funded Debt—

First gold 6% due 1940	3,000,000	1,350,000

1st mtge. 5½ per cent. bonds, due 1947, $5,300,000 issued of series "A"

Dividend Record—

Preferred—7 per cent. per annum, dividends accrue from May 1, 1927. First payment made July 1, 1927, for period of two months. On preferred of old company 7 per cent. per annum paid from July, 1913.

Common—None paid by new company. On common of old company, initial dividend of 1 per cent. paid Jan., 1917; 4 per cent. per annum paid 1917, 1918, 1919; 6 per cent. and 1 per cent. extra 1920 to 1923 inclusive; 6 per cent. 1924; 6 per cent. and 1 per cent. extra in 1925 and 1926.

Officers—I. H. Weldon, pres.; T. A. Weldon, vice-pres.; S. F. Duncan, treas.; W. S. Barber, sec.

Directors—Above officers and Alex Fasken, S. B. Munroe, A. B. Connable, C. S. Campbell, Sir Chas. Gordon, K.C.B.E., R. S. Waldie.

Market Record—

Year	Common		Preferred	
	High	Low	High	Low
1916	57	56	..	..
1917	51¾	50	81	78
1918	49	46	78	78
1919	85	51	90	85
1920	130½	81	88	87
1921	102	87¾	87¾	82
1922	88½	80	95	80
1923	92½	83	98	92
1924	100	84	97½	90
1925	111¼	88¾	103½	95
1926	116½	100	107	102½
1927 (to June 7)	130	116	107	105¼

Production—15 tons groundwood pulp, 50 tons sulphite pulp, 110 tons book; writing and other paper, 110 tons daily.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926	1925	1924	1923	1922	1921
	$	$	$	$	$	$
Manufacturing profits	$1,218,106	$1,045,493	$ 878,013	$ 493,333	$ 729,261	$ 728,775
Other Income	6,375	14,811	8,756	9,990	34,700	32,620
Total	1,224,481	1,060,304	886,769	503,323	763,961	761,395
Less: Res. for Deprec. and Doubtful Accounts ..	302,400	300,100	288,026	230,000	150,000	150,000
Res. for Taxes	60,000	70,000	50,000	20,000	70,000	60,000
Bond Disc.	50,000	20,000	13,023	......	......	......
Bond Interest	81,590	83,905	97,964	92,639	55,787	33,550
Other Deductions	......	......	59,986	......	77,953	......
Net Profits	730,491	586,299	377,769	160,684	410,221	517,845
Less Appropriations:						
Pref. Dividends	119,000	119,000	119,000	119,000	119,000	119,000
Common Dividends ...	245,000	245,000	210,000	210,000	245,000	245,000
Surplus for year	366,491	222,299	48,769	*168,316	46,221	153,845
Add Prev. Surplus	936,220	713,921	665,152	833,468	787,247	633,403
Bal. carried for.	1,302,711	936,220	713,921	665,152	833,468	787,247
* Deficit.						
Dividend Record and Earnings on Capital Stock—						
Preferred Earned	42.91	34.48	25.75	9.45	28.72	30.48
Paid	7	7	7	7	7	7
Common Earned	17.47	13.25	9.10	1.19	8.32	11.39
Paid	6+1	6+1	6	6	6+1	6+1

Canada Paper

Sells Largely Abroad — Now Consolidated with St. Maurice Valley Corp.

As the St. Maurice Valley Corp. owns all the common stock of the Canada Paper Co. the investment interest in the smaller company lies only in its bond and preferred stock issues. The Canada Paper passed under the control of its parent company less than a year ago.

For some years before the consolidation, the company had been doing a satisfactory and an increasing business. Four manufacturing units are operated, three at Windsor Mills, P.Q., and one at Toronto. At Windsor Mills there are four paper machines with their complementary sulphite and groundwood pulp installations, and 25 paper bag machines. At Toronto there is installed complete equipment for the conversion of paper into various paper commodities. The Toronto unit was formerly Kilgour Brothers, Ltd.

Sell Overseas Also

The company owns 35,000 acres of freehold timber lands and controls by lease another 200 square miles. It produces 6,000 hydraulic horsepower from the St. Francis River. Some 40 per cent. of the company's output is sold domestically and the remainder is sold abroad. The annual capacity of the plants amounts to 13,500 tons of newsprint, 7,500 tons of wrapping, book, writing paper and white and colored specialties, 29,000,000 paper boxes, 300,000,000 paper bags and 60,000,000 shipping tags.

It is understood that the business is being maintained on a satisfactory scale. Its acquisition by the St. Maurice Valley Co. places further strength in the securities of Canada Paper now in the hands of the public.

The company issues no individual annual reports, but its operations are consolidated in the annual report of the St. Maurice Valley Corporation.

Capitalization—

	Authorized	Outstanding
Common .... (No par value)	20,000 shs.	20,000 shs.
Pref. 7% .... (Par $100.)	$3,000,000	$1,250,000

Funded Debt—

First mortgage 6% bonds, Series "A", due 1945, $1,960,000.

Dividend Record—

On preferred 7% per annum, payable quarterly, Mar., June, Sept. and Dec. 1. First dividend paid March 1, 1926.

Officers and Directors—

Sir. H. S. Holt, chairman of board; C. B. McNaught, pres.; F. J. Campbell, vice-pres. and man. dir.; A. Cross, vice-pres.; J. H. Gundy, G. H. McKee, C. R. Hosmer, F. W. Molson, H. Balm, H. M. Thorne, sec.-treas.; H. B. Donovan, sales mgr.; D. Glen, asst. sec.-treas.; G. W. Hodgson, comptroller.

Production—

Annual capacity is 13,500 tons newprint; 7,500 tons wrapping, book and writing papers, and white and colored specialties; 29,000,000 paper boxes; 300,000,000 paper bags, and 60,000,000 shipping tags.

Anticosti Corp.

Earnings Assured by Contracts with Three Parent Pulp and Paper Companies

The Anticosti Corporation was formed in the summer of 1926, in order to provide a supply of raw materials for the St. Maurice Valley Corporation, the Wayagamack Pulp and Paper Company and the Port Alfred Pulp and Paper Corporation. The last three companies own one-third each of the common stock of the corporation.

The company's fixed assets consist of the complete ownership of the island of Anticosti, except an unimportant acreage which has been ceded to the government for lighthouse purposes. The area of the island amounts to about 3,100 square miles, and is approximately one and a half times the area of Prince Edward Island. It is estimated to contain at least fifteen million cords of pulpwood, which have a value of $15,000,000. This island is the most valuable freehold reserve of pulpwood in Eastern Canada.

To Purchase Output

The three parent companies have entered into an agreement with their subsidiary which provides for the purchase of a definite amount of pulpwood annually, and to pay to the Anticosti Corporation the full amount of its operating expenditures and depreciation charges, plus certain stumpage fees for the pulpwood cut. These minimum stumpage fees are to be paid, whether or not the specified number of cords be taken out.

It is thus that both the bond interest and the preferred dividend requirements of the subsidiary company are jointly and severally guaranteed by the three parent organizations. Under the provisions of the contract with the parent companies, the net revenues of the Anticosti Corporation, after operating expenses, depreciation, interest and sinking fund requirements of the first mortgage bond issue, will, during the first two years of the contract, amount to $426,000, and thereafter $498,000 annually. These figures compare with the maximum annual dividend requirements on the preferred shares of $210,000.

One feature of the preference shares in the Anticosti Corporation is the fact that, after January 1, 1935, the corporation will set aside 50 per cent. of the balance of the net earnings, after payment of preferred dividends as a sinking fund for the preference shares.

For the first time, pulpwood was cut and taken off the island this year. The corporation has had to undertake construction work on the island to allow the economical handling of the logs. In future years, the stumpage cut will probably increase.

Capitalization—	Authorized	Outstanding
Common shares .... (No par value)	60,000	60,000
Pref. 7%	$6,000,000	$3,000,000

All of the common shares are owned by the St. Maurice Valley Corporation, Wayagamack Pulp and Paper Co., and Port Alfred Pulp and Paper Corporation.

Funded Debt—

First mortgage 6½%, sinking fund bonds, dated Aug., 1926; due Aug., 1941, $6,000,000.

Officers and Directors—

A. J. Brown, K.C., chairman of the board; G. M. McKee, president; C. R. Whitehead, vice-president; F. Faure, F. I. Ritchie, Sir H. S. Holt, J. H. Gundy; E. M. McLaren, woods mgr.; L. A. Brooks, sec.-treas.

Dividend Record—

Preferred dividends are payable quarterly, March, June, September and December 1.

Belgo Canadian

Operations Entirely Consolidated with St. Maurice Valley Corporation

As the St. Maurice Valley Corp. owns practically all the outstanding stock of the Belgo Canadian Paper Co., the investment interest in the latter is confined entirely to its $5,000,000 issue of preferred stock and its 1943, 6 per cent., bonds. The Belgo mills have a long record of successful operation behind them. Greater strength has been woven into the preferred issue since the control of the company passed to the parent organization.

The company leases to the St. Maurice Valley Corp. its newsprint mill at Shawinigan Falls, with a capacity of 600 tons of newsprint per day. There are eight newsprint machines in the mill. The company's limits are estimated to contain 6,000,000 cords of pulpwood. The earnings from the mills are not published separately, but are consolidated with those which appear in the annual statement of the parent company. Belgo's cost of production is regarded as low.

The company obtains its power at low cost, for it is supplied with 14,000 hydraulic horsepower by the Shawinigan Water and Power Company, which was purchased at the time when Shawinigan was first completing its developments at Shawinigan Falls. It is estimated that this company at the end of forty years will have 80 per cent. of the timber resources which it owns to-day. The timber resources now contain forty years wood supply, and allowing for re-growth it is estimated that at the end of forty years the timber resources will only show a twenty per cent. decrease.

Capitalization—	Par	Outstanding
7% cum. pref.	$100	$5,000,000
Common	100	*8,500,000

*Over 99% owned by the St. Maurice Valley Corp.

Bonded Indebtedness—

1st mortgage bonds, 6%, due 1943, $9,454,500.

Pulpwood Supply—

Company owns 15,000 acres of freehold timber limits and controls 2,967 square miles of leasehold limits containing 9,000,000 cords of pulpwood.

Production—

45 tons of groundwood, 90 tons of sulphite pulp and 365 tons of newsprint daily.

Officers and Directors—

Sir H. Holt, pres.; G. M. McKee, A. Cross, J. H. Gundy, F. Faure, vice-presidents; G. W. Hodgson, sec.-treas.; J. W. Hodgson, asst. sec.-treas.

Chinese Were First Manufacturers of Paper

The Chinese were a people capable of invention, but little capable of improvement; and, therefore, although the art of paper-making was cradled in China, it made but little progress until it was taken westward. The paper, which was of Chinese invention, was made from the fibrous pulp of plants. What was known among Europeans as rice paper—that curiously brittle, pure white material, used for the marvellously minute drawings in which the artist of the middle Kingdom delighted—was made of the pith of an araliaceous plant, and rice did not enter into its composition.

The story of paper-making then shifted to Arabia. The great home of the paper industry from the seventh to the twelfth century was Samarkand, on the borders of Bokhara. Here linen rags were used, and it was from Samarkand that the Crusaders, lifting the veil of mystery which had surrounded the art, brought it to Europe, the first scientifically equipped paper mill being established in Europe in the year 1290.

The first mention of paper was in the year 650, when it was said to have been introduced as an article of commerce into Samarkand from China.

U.S. Paper Mills Have Quiet Time This Year

An indication of the steadily increasing demand in the United States for the output of sulphate and sulphite pulp from Canadian mills may be gained by a glance at American import figures over the past three and a half years. In 1924 the United States imported 305,707 tons of sulphate pulp. In 1926 imports were 323,492 an increase of 17,785 tons.

For the first six months of 1927, 153,814 tons were imported. This would indicate a falling off from 1926 and 1925 but there is no doubt that a considerable advance on 1924 figures will be maintained. The same conditions hold true of sulphite pulp. In 1924 the United States imported 834,289 tons in 1925, 866,260 and in 1926 the imports were 923,652 tons. Imports for the first six months of 1927 total 427,193 tons. The statistical figures bear out the fact that the U. S. paper industry is at present experiencing quiet times.

Interlake Tissue Mills

Interlake Tissue Mills is a company owned and operated by interests connected with the successful operation of Provincial Paper, Ltd., and its predecessor companies. There is virtually no public investment interest in this enterprise.

The company manufactures tissue papers of various grades. Its head office is at Toronto and its mill is at Merritton, Ont.

Capitalization—

	Authorized	Outstanding
Stock .... (Shares, $100 each)	$1,000,000	$625,000

Funded Debt—

First mortgage 6 per cent. bonds, due 1935, $304,000.

Dividend Record—

Six per cent. paid for year 1920; 1½ per cent. paid for quarter ended March 31, 1921; six per cent. each paid for 1924 and 1926.

Officers and Directors—

G. Carruthers, pres.; I. H. Weldon, vice-pres. and treas.; S. F. Duncan, sec.; C. A. Dewing, S. B. Monroe, A. B. Connable, A. Fasken.

Profit and Loss—

Balance, profit and loss account:

Dec. 31, 1922	$110,419
Dec. 31, 1923	132,151
Dec. 31, 1924	99,209
Dec. 31, 1925	109,597
Dec. 31, 1926	102,102

Porritts & Spencer

Seamless News Felts

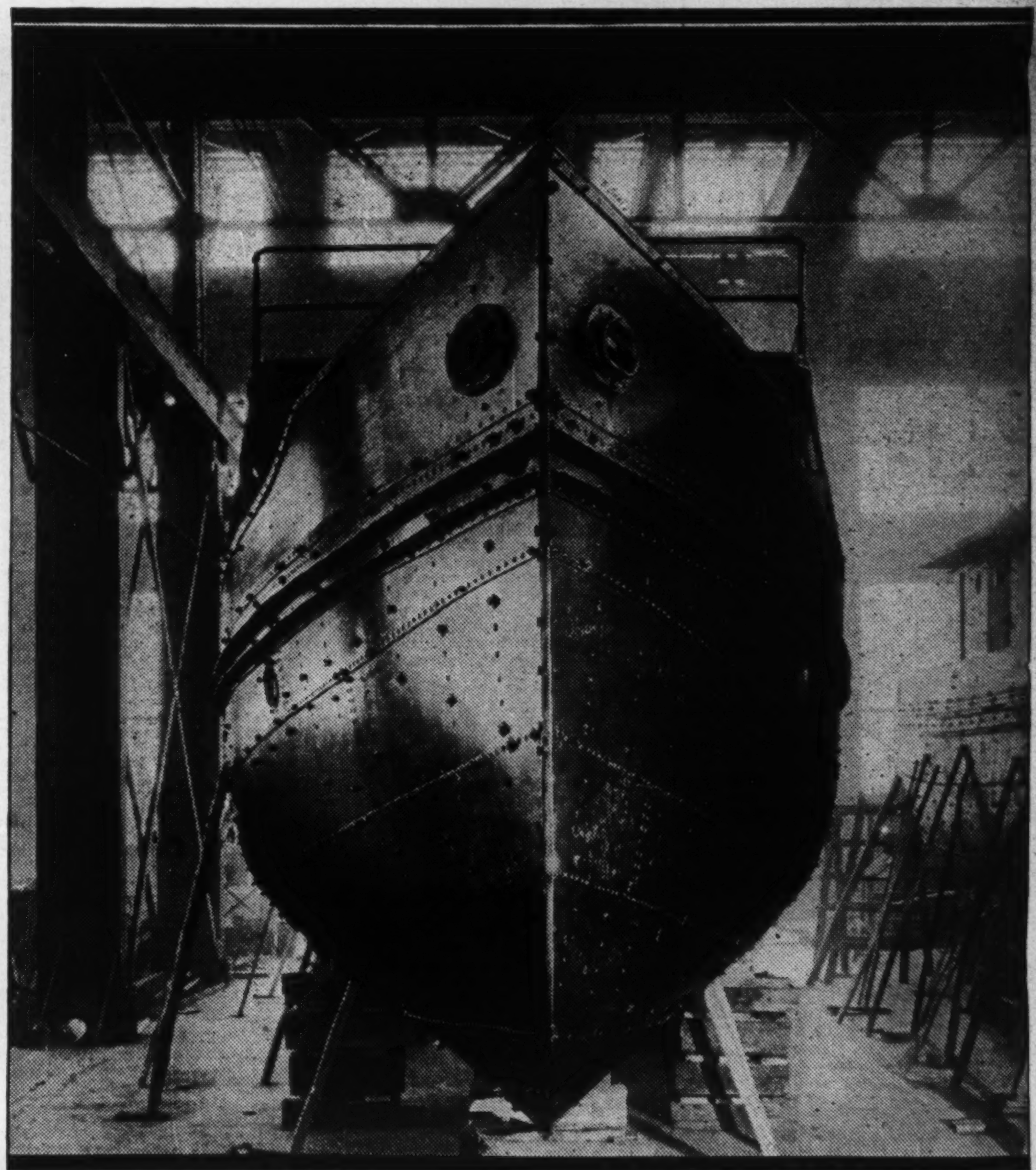
Our mills are equipped with every machine necessary for the production of felts for Canadian Paper makers.

These views will give an idea of the capacity and production possibilities of Porritts & Spencer felts.

We specialize in the making of Seamless News Felts.

Porritts & Spencer (Canada) Limited

Head Office and Works:
Hamilton, Ontario.
Agents:
Wm. Whyte, E. S. Dunham
39 Draper Ave.,
Montreal, Que.



SHOWN above, in the course of construction, is one of three 250 H.P. Deisel Oil Engine tugs built in our own shops for the Canadian International Paper Co.

Each tug is 75 feet long with a 17-foot beam, and the three were shipped knocked-down to the railway station nearest the Gatineau Development scheme.

They were transported 35 miles by tractor and sleigh through the bush, then re-assembled and launched.

Our Consulting Bureau is at your service without obligation. They will gladly discuss and advise regarding any type of Engineering or Boiler-making problem.

The John Inglis COMPANY LIMITED

14 STRACHAN AVENUE, TORONTO, ONT.
405 POWER BUILDING, MONTREAL, P.Q.

Price Brothers

Expansion Program of Many Years Still Being Continued — In Addition to Paper, Company Has Interest in Duke-Price and Aluminum Company

Perhaps one of the most satisfactory points about Price Brothers Co. is the fact that it has sufficient timber reserves to supply mills for more than 100 years without making any allowance whatever for new growth. The company has been steadily growing for many years, and its programme of expansion is still being continued. Work is now underway leading to an increase in the Riverbend Mills' capacity of 200 tons daily by the end of the year. The company's forest assets and its expansion programme should ultimately be reflected in materially increased earnings applicable to the common stock.

The company is regarded as a low cost producer, due to the favorable location of its plants. Price Brothers and Company, in conjunction with Port Alfred, is shortly to acquire the Quebec Pulp and Paper Mills. Owing to the depressed state of the groundwood pulp market, the acquisition of the actual mills will hardly prove much of much benefit, but Price Brothers will thus augment the timber limits adjacent to its mills. This will tend towards lower production costs.

Is Very Large Operator

While the hesitancy in the newsprint market has undoubtedly affected the company's earnings, yet profits during the past year or so are understood to be much improved on the company's large output of timber.

In the Saguenay area the company operates two newsprint mills, a groundwood pulp mill, and a board and a paper specialty mill, which produce a daily total of 775 tons, of which 725 tons is newsprint.

The foregoing figures, of course, refer to the rated capacity of the mills. The Kenogami mill produces 525 tons of newsprint, the Riverbend mill 200 tons of newsprint, the Jonquiere mill 50 tons of cardboard and specialty papers, and the groundwood mill at Rimouski 30 tons of groundwood daily.

The company controls water powers of a potential capacity of 125,000 horsepower, of which about half have been developed, and in addition, it holds a minority interest in the Duke-Price Power Co.'s immense developments on the Saguenay. Earnings from this source should show a very substantial growth over a term of years. The pulpwood areas which are controlled by this company are estimated to contain at least 45,000,000 cords of pulpwood, and cover an area of 9,700 square miles in the Province of Quebec.

Long Established Company

Price Brothers and Company has been established for 110 years, and its output is sold through the Canadian Newsprint Company.

Over 60 per cent. of the company's timber holdings are located in such close proximity to the mills as to make the pulpwood available by a one year drive, as compared with two year drives and sometimes three year drives by other companies.

Price Brothers & Co. also have an interest in the big aluminium developments on the Saguenay River, for at the time the Duke-Price Power Co. sold a power site on the Saguenay to the Aluminium Company of America, Price Brothers & Co. owned 25 per cent. of the stock of the Duke-Price Power. The paper company's share of the sale of the undeveloped site to the Aluminium Company of America amounted to $4,900,000 par value in 6 per cent., cumulative, preferred stock, and 36,800 shares of the common stock of the Aluminium Company. Over a term of years, there seems no doubt but that Price Brothers will obtain a handsome appreciation from these holdings.

While the chief interest in the company now centres in its newsprint production, yet for over 100 years it has been one of the largest manufacturers of spruce lumber in Canada, and its sawmill properties form no inconsiderable portion of the sources of revenue to the company.

Capitalization—

	Authorized	Outstanding
Common	$50,000,000	$52,683,200
Pref. 6½%	10,000,000	7,000,000

(Cumulative, redeemable, sinking fund).

Shareholders in old company received five shares of stock in new company for each share of old stock in 1920.

Funded Debt—

First mtge. 6 per cent. bonds, due 1943, $14,645,000.

Dividend Record—

On stock of predecessor company dividends were paid as follows: Initial dividend of 1½ per cent., Sept., 1916; Jan., 1917, 1½ per cent.; April, 1917, 3 per cent.; July, 1917, to April, 1918, 1½ per cent. each quarter; July, 1918, to Jan., 1921, 2 per cent. each quarter. In addition, extra dividends of 2 per cent. each were paid Feb., 1918, and Feb., 1920. Stock dividend of 22 per cent. paid Feb., 1920. On common stock of present company 2/5 per cent. bonus was paid Jan., 1921; Feb., 1921, 2/5 bonus; April and July, 1921, ¾ per cent. each; Oct., 1921, to date, ½ per cent. quarterly.

On preferred stock dividends of 6½ per cent. per annum are payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—

Officers—Jno. H. Price, pres.; Geo. H. Thomson, J. J. M. McCarthy, vice-presidents; J. Leonard Apedaile, H. E. Price, sec.-treas.

Directors—Above officers and Sir Ion H. Benn, Bt., C.B., M.P.; W. S. Hofstra, A. J. Price, Sir Herb. S. Holt, Sir Keith W. Price, A. C. Price, H. B. MacDougall, A. J. Brown, V. M. Drury, G. G. Allen.

Market Record—

	Common		Preferred	
	High	Low	High	Low
	Old Company			
1913	73	65	....	....
1914	60	60	....	....
1915	..	..	....	....
1916	132	60	....	....
1917	134	115	....	....
1918	151	120	....	....
1919	260	155	....	....
1920	385	250	....	....
	New Company			
1921	42¼	24¾	....	....
1922	47⅞	30	....	....
1923	47	39	....	....
1924	45	26½	....	....
1925	59	35⅝	96½	95
1926	76¾	57	103½	95½
*1927	63	51¼	104½	100

*To September.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING FEBRUARY 28

	1927	1926	1925	1924	1923	1922
	$	$	$	$	$	$
Gross Profits	4,063,211	4,263,191	3,128,125	3,403,967	2,338,934	1,327,332
Less: Depr. and Depl.	1,541,263	1,199,604	1,189,364	1,142,014	700,096	......
Bond Interest	892,944	786,096	600,000	551,515	419,976	419,976
Taxes	......	......	......	......	......	148,921
Other Interest	......	......	......	......	......	2,000
Written Off	......	482,369	......	......	......	......
Net Profits	1,629,004	1,795,122	1,338,761	2,115,438	1,218,862	756,435
Less Appropriations of—						
Pref. Dividends	455,000	455,000	......	......	......	......
Common Dividends	853,664	853,664	853,664	853,664	853,664	1,067,080
Prem. on Bonds Redeemed ..	12,425	......	......	......	......	......
Surplus for Year	307,915	586,458	485,097	861,774	365,198	*310,645
Add Previous Surplus	1,921,995	1,573,038	1,568,318	706,544	341,347	651,992
Less Administration Exp.	......	137,500	480,377	......	......	......
Balance Carried Forward	2,229,910	1,921,995	1,573,038	1,568,318	706,544	341,347
Dividend Record and Earnings on Capital Stock—						
Preferred Earned	23.29	32.53	......	......	......	......
Paid	6½	6½	......	......	......	......
Common Earned	2.75	3.12	2.69	4.02	2.85	2.12
Paid	2	2	2	2	2	1¼

St. Anne Paper

Has Entered Production — Strong Interests Behind New Producer

The St. Anne Paper Co. is now operating its newly completed newsprint mill with a daily rated capacity of 250 tons of paper. Both machines were turned over for the first time in July last. The mill site is at Ste. Anne de Beaupre on the north bank of the St. Lawrence River, about 20 miles below Quebec. Because of its location, the plant for seven months of the year will be able to distribute its finished products by water shipments. The company owns outright the St. Anne Power Company which owns wood cutting leases on crown limits and on freehold land.

The St. Anne Paper holds power contact with the Shawinigan Water and Power Company. In addition to the satisfactory timber leases and timber-cutting rights, which the company owns, its location is such that it will allow purchases at favorable prices of a large portion of the annual pulpwood requirements of the mill.

Strong Group Owns Equity

The output of the mills is sold by the Canadian Newsprint Company. Practically all the equity in the company is owned by the St. Anne Investment Corp., which in turn is controlled by the Mead Investment Company, of Dayton, and the Industrial Investment Company, the Abitibi Power and Paper Company, the Spanish River Pulp & Paper Mills, the Bayless Pulp & Paper Co. and individuals immediately associated with the foregoing, and Charles Donohue, of Quebec City.

The investment interest in the property is confined entirely to its $5,000,000 issue of bonds and its $2,000,000 issue of debentures.

The strong interests holding the junior securities of the company gives added strength to the bond issue on which it is estimated earnings after depreciation will be four times the annual interest charges.

Capitalization—

	Authorized	Outstanding
Common .... (No par value)	100,000 shs.	100,000 shs.
Pref. 7% .... (Par $100)	$3,000,000	$2,700,000

Funded Debt—

First mortgage, 6½ per cent. bonds, due 1946, $6,000,000; 6½ per cent. debentures, due 1936, $2,000,000.

Property—

New paper mill at Ste. Anne de Beaupre. Daily capacity, 250 tons.

Dividend Record—

Preferred stock is privately held and dividends are payable as and when declared by directors.

Officers and Directors—

J. T. Donohue, pres.; W. N. Hurlbut, vice-pres.; J. D. Coffin, vice-pres. and treas.; W. H. Howard, sec.; Geo H. Mead, chairman of board; Charles Donohue, Alexander Smith, L. R. Wilson, Stanley Bayless.

St. Lawrence Paper

Expansion by Company Will Ultimately Benefit Shareholders — Other Interests Said to Have Been Negotiating for the Company

At the beginning of the current calendar year, the St. Lawrence Paper Mills more than doubled the capacity of its newsprint mill at Three Rivers, P. Q. Thus the net earnings should tend to increase, despite the hesitancy in the newsprint market which commenced this year. While the expansion programme which concluded at the close of 1926 was made possible by an increase in the capitalization, yet the increase was not proportionate to the increased output. In this fashion, too, the shareholders stand to benefit by the enlarged production. The common shares are closely held.

The property is very ably administered. Thus, the outlook for the company is regarded as satisfactory. St. Lawrence has some surplus production of sulphite pulp, which is sold under contract to the Wayagamack Pulp and Paper. Company.

The present capacity of the mills amounts to some 320 tons of newsprint daily and there is an additional sulphite output amounting to about 25 tons.

Four newsprint machines operate at the plant, each with a capacity of 80 tons. The company's timber limits include leases on 1,140 square miles of territory and are estimated to contain 4,500,000 cords of pulpwood. In addition, the company also purchases 50,000 cords of pulpwood per annum under a contract extending to 1943.

Ever since the merger of the St. Maurice Paper and Belgo-Canadian Paper Company, there has been talk of a further consolidation, which would bring the St. Lawrence Paper Mills under the aegis of the St. Maurice Valley Corp. In fact, it is generally conceded that tentative negotiations have taken place more or less continuously since the formation of the St. Maurice Valley Corporation. However, it is understood that the price demanded by the majority interest in the St. Lawrence Paper Mills is well in excess of the figures which the St. Maurice Valley Corp. would be willing to pay. The acquisition of the St. Lawrence Paper Mills by the larger corporation would undoubtedly result in many operating economies, and thus, there seems to be a possibility of an eventual merger between the two organizations. But, it may well be that better times may have to come to the industry before such a merger takes place. In the meantime, the shareholders in the St. Lawrence Paper Mills have a property which has done very well in the past and which shows every indication of doing well in the future —provided that the market for newsprint paper be not too drastically contracted.

The company was originally incorporated by Noah H. Timmins and others associated with the Hollinger Consolidated Gold Mines. Whether or not the St. Maurice Valley Corporation will ultimately purchase the St. Lawrence Paper Mills remains to be seen.

Capitalization—

	Authorised	Outstanding
Com., no par value	100,000 shs.	50,000 shs.
8% pref. cum.	$2,500,000	$2,500,000

Par value $100.

Funded Debt—

First mtge 6 per cent. series "A," due 1946	$5,906,000
Sink, fund mtge. debentures 6½%, due 1936	1,285,000

Dividend Record—

Preferred 8 per cent. per annum, payable quarterly; dividends of 4 per cent. were paid Aug. 10, 1924; 12 per cent. Jan. 15, 1925, paying off all arrears; 2 per cent. April, 1925, and quarterly thereafter.

On common no dividends have been paid.

Officers and Directors—

N. A. Timmins, pres.; D. Breakey, E. Rossiter, vice-pres.; J. J. Rankin, sec.; Colin Breakey, A. K. Cameron, H. C. Flood, A. J. Nesbitt, A. M. Creighton, asst. treas.; J. E. Steele, asst. sec.

Income and Surplus Account, Years Ending June 30

	1926	1925	1924
Gross earnings	$969,695	$868,469	$785,337
Less: Deprec.	332,619	271,265	271,265
Bond interest	201,183	162,500	28,997
Taxes, etc.	......	45,434	139,778
Net profits	435,893	389,270	345,297
Less pref. div.	200,000	383,000	......
Surp. for year	235,893	6,270	345,297
Add prev. surp.	351,567	345,297	......
Bal. car. for.	587,460	351,567	345,297
Dividend Record—			
Pref. earned	17.43%	15.56%	13.80%
Paid	8	6+12*	4
Common earned	$4.71	$3.78	$2.90
Paid	......	......	......

* Arrears.

Provincial Paper
Limited
Head Office: 56 UNIVERSITY AVE., TORONTO

Manufacturing

Book, Writing, Bond and Coated Papers, Sulphite and Groundwood Pulp

Paper Mills at
MILLE ROCHES, ONTARIO THOROLD, ONTARIO
GEORGETOWN, ONTARIO PORT ARTHUR, ONTARIO
Pulp Mill: PORT ARTHUR, ONTARIO
Timber Limits:
2,500 Square Miles. Adjacent to Port Arthur, Ontario

The location of our different mills and timber resources enables the Company to give prompt and efficient service, and assurance of continuity of supply.

CRANE MATERIALS WERE USED EXCLUSIVELY IN THIS PLANT. A VIEW OF THE PIPE BENDS AND AUTOMATIC STOP-CHECK VALVES

UP-TO-THE-MINUTE POWER PLANT EXPERIENCE

It is an impressive fact that Crane experience is seventy-one years old. But more important to you, this long experience is being constantly strengthened by close contact with the very latest power problems in your own industry.

Whether the question be the choice of material for pipe bends, or the determination of the number of automatic stop-check valves needed, Crane engineers are at your service for consultation. More than careful research and detailed study is behind their recommendations, for they bring to bear on your problems the knowledge gained in previous solutions of similar questions in your field.

You are thus assured that Crane engineering suggestions are based on the latest knowledge and practice in the situation which confronts you. That is why experienced power men say, "Be sure! Consult Crane."

CRANE

CRANE LIMITED, GENERAL OFFICES: 1170 BEAVER HALL SQUARE, MONTREAL
CRANE-BENNETT, LTD., HEAD OFFICE: 45-51 LEMAN STREET, LONDON, ENG.
Branches and Sales Offices in 21 Cities in Canada and British Isles
Works: Montreal, Canada, St. Johns, Quebec, and Ipswich, England

Crane Y branch drainage fitting

Sulphite Pulp Industry

Position Reviewed—Next to Newsprint, the Largest Section of the Canadian Pulp and Paper Industry — Position Fairly Satisfactory

While the sulphite pulp industry is not comparable in magnitude to the newsprint industry, yet in the volume of their output the sulphite mills rank next to the newsprint mills. At the present time exports of newsprint from this country are running at the rate of about $10,000,000 monthly. This compares with sulphite pulp exports of about $2,500,000 or $3,000,000 monthly.

Broadly speaking, the manufacture of sulphite in Canada may be divided into two sections; those mills which produce sulphite for further manufacture into newsprint, and those mills which produce sulphite pulp to be sold in the sulphite pulp market. Practically all the newsprint companies manufacture their own sulphite, which comprises about 20 or 25 per cent. of the raw material going into the manufacture of newsprint paper. On the other hand, there are other companies, such as the Fraser Companies, or other mills, such as the Kipawa mill of the International Paper Company, which produce sulphite to be sold on the open market.

Not All in One Group

Unlike the newsprint companies, the sulphite companies cannot all be classed in one group. Some mills produce a very low grade of unbleached sulphite, which cannot be used for anything other than the manufacture of newsprint. Other companies produce a higher grade of unbleached sulphite which goes into the manufacture of fine paper, and still other companies produce bleached sulphite. Finally, there are mills, such as the International Paper's Kipawa mill, which produce only the highest grade of sulphite. The output of this mill is especially adaptable to the manufacture of artficial silk, and a large proportion of the mill's production is ultimately manufactured into rayon yarn.

Each of the various grades of sulphite pulp find a different market at a different price. Thus, prices for the various grades of pulp range all the way from about $40 up to $100 a ton.

The underlying conditions surrounding the whole industry appear to be sound, but while the price of and the production of sulphite pulp has increased over the past three or four years, yet there is no doubt that the mills are not yet obtaining a satisfactory profit on their output.

Can Not Make Paper

Because of high tariff walls, Canadian high grade paper, which is chiefly composed of sulphite, cannot be sold in the U.S. Thus Canadian sulphite mills which are near the source of their raw materials and which can obtain cheaper power, ship their output to the United States paper mills, there to be turned into fine paper. Or, in the case of the lower grades of sulphide, to be turned into newsprint.

Owing to spotty business conditions in the United States, the market for sulphite pulp this year has not been satisfactory. One of the contributing factors to this, of course, has been the hesitancy in the market for newsprint paper.

Has Been Large Increase

The figures and the charts showing the production and export of sulphite pulp, which are printed elsewhere in this issue, reveal that there has been a tremendous increase in the amount of unbleached sulphite pulp manufactured in the Dominion over the past few years. Despite this, though, exports of unbleached sulphite have declined. The cause for the increase in production and the decrease in exports lies in the expansion of the newsprint industry. The newsprint mills have augmented their sulphite production and have used more sulphide in the production of newsprint paper.

On the other hand, the production of bleached sulphite pulp, which is of a higher grade, has increased, and exports have increased also. The reason for this lies in the demand in the United States for high grade sulphite for further manufacture into fine paper, coupled with the fact that the Canadian domestic market for fine paper is small and cannot consume anything other than a small proportion of the total bleached sulphite pulp production.

Earnings May Be Lower

The investment interest in the manufacture of sulphite pulp is largely confined to those companies which manufacture, not for further manufacture into newsprint or fine papers, but to those companies which depend for earnings on the current market quotations for sulphite pulp. During the current year it is thought that earnings from sulphite production will perhaps be a little below those of 1926. While the market for sulphite pulp is not particularly satisfactory at the moment, the ultimate future of the industry appears to be satisfactory, for, broadly speaking, it depends solely on the demand for fine paper in the United States. Competition from European sulphite mills has hampered the industry for many years, but despite this competition, from an earnings standpoint, much progress has been made by these companies since the tremendous slump in the sulphite market of 1920-21.

Market Is Widening

Not so many years ago, fine papers were made almost exclusively from rags. Since then, high grade sulphite pulp has entered more and more into the manufacture of fine papers, and many thousands of tons of sulphite paper are produced yearly. The steadily increasing cost of rags on the one hand, and the continued improvement in the paper making qualities of sulphite on the other hand, have widened the market for the product considerably.

Another factor which has entered into the sulphite situation is the increasing demand for rayon silk, which is largely manufactured from Canadian sulphite pulp. Within recent months it was said that the Kipawa mill of the Canadian International Paper Company supplied one-half of the world's raw material for the manufacture of rayon. Thus the markets for this grade of pulp will continue to broaden.

Recovering More Slowly

The sulphite mills have not recovered as fast from the 1921 debacle as the newsprint mills, for while the demand for sulphite has improved, it has not improved to anything like the extent of the better demand for newsprint. The increase in the demand for sulphite paper, though, has been steady and there seems no reason to doubt that with the increasing growth of the United States, the consumption of fine papers there will be increased, with a resulting increased demand for Canadian sulphite.

There is one satisfactory feature about the industry which is worthy of more than passing note, namely that over the recent years there has been practically no increase in the world's sulphite capacity. This is, of course, excluding the increased sulphite capacity of the new newsprint mills. This increased capacity, though, has been entirely used for further manufacture into newsprint. Sulphite pulp suitable for newsprint manufacture does not enter into competition with the higher grades from which fine paper is made.

Consumption Is Growing

For the long pull, the outlook for the industry is fairly satisfactory. The consumption of fine paper in the United States has increased 4½ times in the last 25 years. Those who know the market, feel that within the next 25 years the total consumption of paper in that country will increase two or three times over the present amount. Furthermore, lack of cheap wood and cheap power have arrested the development of the American pulp mills. All of which should react favorably on Canadian producers.

In view of the spotty business conditions which have prevailed in the U.S. this year, the immediate future outlook for the industry is not particularly satisfactory. The influences which have combined to reduce the consumption of newsprint in the U.S. have produced a little slackening in the demand for sulphite papers. Thus, it would be unwise to anticipate any immediate improvement in the sulphite pulp market.

Only Part of the Profits

The sulphite pulp mills will hardly reap all the earnings possible from their investment until they are able to extend their mills to produce the finished product, namely paper.

The Fraser Companies in New Brunswick have achieved this end by erecting a fine paper mill in Maine and by pumping the finished product of the Canadian mill across the border through a pipe line to the U.S. plant where it becomes the raw material for the paper mill. In future, other Canadian sulphite producers may achieve the same end in similar fashion or, by turning to the production of newsprint, as, if and when the demand for newsprint warrants such a change.

In producing sulphite it can be seen that the companies are obtaining only a part of the manufacturing profit—a factor which generally makes for lower net profits over a period of years.

LARGE EXPORTER

Newsprint now constitutes more than one-eleventh of the entire exports of Canada. It far exceeds every other single product except wheat, and is seventy per cent. greater than the next item among manufactured products, namely flour. At the same time the export of wood pulp has risen to $50,000,000. The pulp and paper trade is entirely a growth of the last eighteen years, and is due to the fact that the Canadian pulpwood areas are exceptionally well supplied with the water power which counts for so much in the process of converting the wood into pulp and paper.

Wayagamack Pulp

Market for Kraft Satisfactory and Earnings from Newsprint Plant Should Now be Available to Parent Company — Hence the Appreciation of Shares

The reason for the strength in the shares of the Wayagamack Pulp and Paper Co. can be traced to the satisfactory markets which have prevailed both for kraft pulp and kraft paper and to the fact that the company should now be reaping earnings from its newsprint production. The newsprint plant is operated through a subsidiary, Wayagamack News, Ltd.

Last year without showing any earnings from its newsprint production, the company was able to show $6.56 a share on each share of its common stock outstanding. This compares with dividends of $3 annually. During the current year, it is anticipated that earnings will be much enlarged both from the production of kraft and from the newsprint output. Hence the strength in the shares over the past few months.

Is Ably Administered

The company is ably administered. The Wabasso Cotton Company is also directed by many of those largely interested in Wayagamack and the record of both these Three Rivers companies adds to the esteem in which each is held by investors.

Wayagamack's kraft products are shipped all over the world and about half of its production of kraft paper goes to foreign countries. It is understood that foreign markets for kraft have been very satisfactory. The company's surplus production of sulphate pulp, over the requirements of its kraft paper mill, is largely shipped to the United States where it enters duty free. There is a U. S. tariff against wrapping paper and for this reason the export market for kraft paper is farther removed than the markets for sulphate pulp. As Wayagamack's domestic and foreign markets widen, it will use more of its own sulphite pulp in its kraft paper mill.

Has Many Natural Advantages

The site of the plant has many natural advantages. It is located on Wayagamack Island at the mouth of the St. Maurice River where it joins the St. Lawrence. Thus it has its own river channel, the St. Maurice, to bring logs to the mill and another river channel, the St. Lawrence, capable of accommodating ocean vessels at its own dock, to take away the production. It purchases its power supply and the record of the mill has been one of steady growth from a 50-ton capacity in 1913 to its present size. The company owns all the outstanding stock of its new subsidiary. The completion of the subsidiary's mill has effected important savings in overhead alone, all of which should this year be reflected in earnings.

In 1924, in conjunction with Port Alfred and the St. Maurice Valley Corporation, Wayagamack purchased the island of Anticosti and now owns one-third of the common shares of the Anticosti Corporation from which it obtains a portion of its pulpwood.

The company is the largest manufacturer of sulphate pulp and kraft wrapping paper in the world. The daily capacity of the mills is as follows: 120 tons of sulphate pulp; 200 tons of newsprint; 120 tons of kraft wrapping paper. The timber limits which the company control total 2,056 square miles excluding the Anticosti island holdings.

The Wayagamack newsprint plant was financed by a bond issue—thus the earnings from that source are what might be called "velvet" for the parent company.

Capitalization—

	Authorized	Outstanding
Capital stock .. (No par value)	100,000 shs.	100,000 shs.

Funded Debt—

1st mortgage bonds 6%, due 1951	$4,251,400
Gen. mortgage 6½%, 1930	1,500,000

Dividend Record—

On the old $100 shares initial dividend of 1 per cent. paid March, 1920; June, 1920, 1 per cent.; Sejt., 1920, to June, 1921, inclusive, 1½ per cent. each quarter, none thereafter.

On new no par value shares 75 cents each was paid Jan., June and Sept., 1927.

Officers and Directors—

Officers—C. R. Whitehead, pres. and gen. man.; Jas. W. Pyke, vice-pres.; F. I. Ritchie, mgr.; George Henderson, comptroller; D. L. Adams, treas.; R. Collins, gen. supt.

Directors—C. R. Whitehead, J. W. Pyke, Hugh Mackay, K. C.; G. H. Duggan, Alex. Maclaren, N. J. Dawes, J. F. Taylor.

Market Record—

	High	Low
1912	40½	28
1913	38¾	21
1914	32½	21
1915	26½	26
1916	112⅛	27
1917	97	50
1918	90	45
1919	90	50
1920	150¼	71
1921	89	27
1922	65½	34
1923	61¼	32
1924	46	32
1925	75	34½
1926	118¼	56
New—		
1926	57¾	52
1927 (to date)	84½	46½

Production—

150 tons groundwood pulp, 24 tons sulphate or kraft paper, 200 tons newsprint, and 120 tons kraft or wrapping paper daily.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING NOVEMBER 30

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Net Earnings †	1,350,266	1,189,268	677,509	893,496	372,030	*156,712
Other Income	500,000	......	......	......	......	......
Total	1,850,266	1,189,268	677,509	893,496	372,030	*156,712
Less: Bond Interest	397,500	336,811	300,000	300,000	260,855	210,000
Depreciation	160,000	160,000	160,000	160,000	160,000	160,000
Depletion	136,784	......	......	......	......	......
Bond Interest	......	20,000	10,000	10,000	10,000	10,000
Stumpage	......	111,542	118,495	217,140	50,068	120,928
Net Profits	1,155,982	560,915	89,014	206,356	*108,893	*657,640
Less Appropriations:						
Dividends	......	......	......	......	......	150,000
Reserves	500,000	......	......	......	......	......
Surplus for Year	655,982	560,915	89,014	206,356	*108,893	*807,640
Add Previous Surplus	1,981,964	1,197,292	1,108,278	901,922	1,010,815	1,818,455
All from Reserve	......	233,757	......	......	......	......
Balance Carried Forward	2,637,946	1,981,964	1,197,292	1,108,278	901,922	1,010,815

† Less Income Tax. * Loss.

Dividend Record and Earnings on Capital Stock—

Common Earned	13.11%	11.22%	1.78%	4.13%	......	......
Paid	75c*	......	......	......	......	3

* Initial quarterly dividend on no par value stock.

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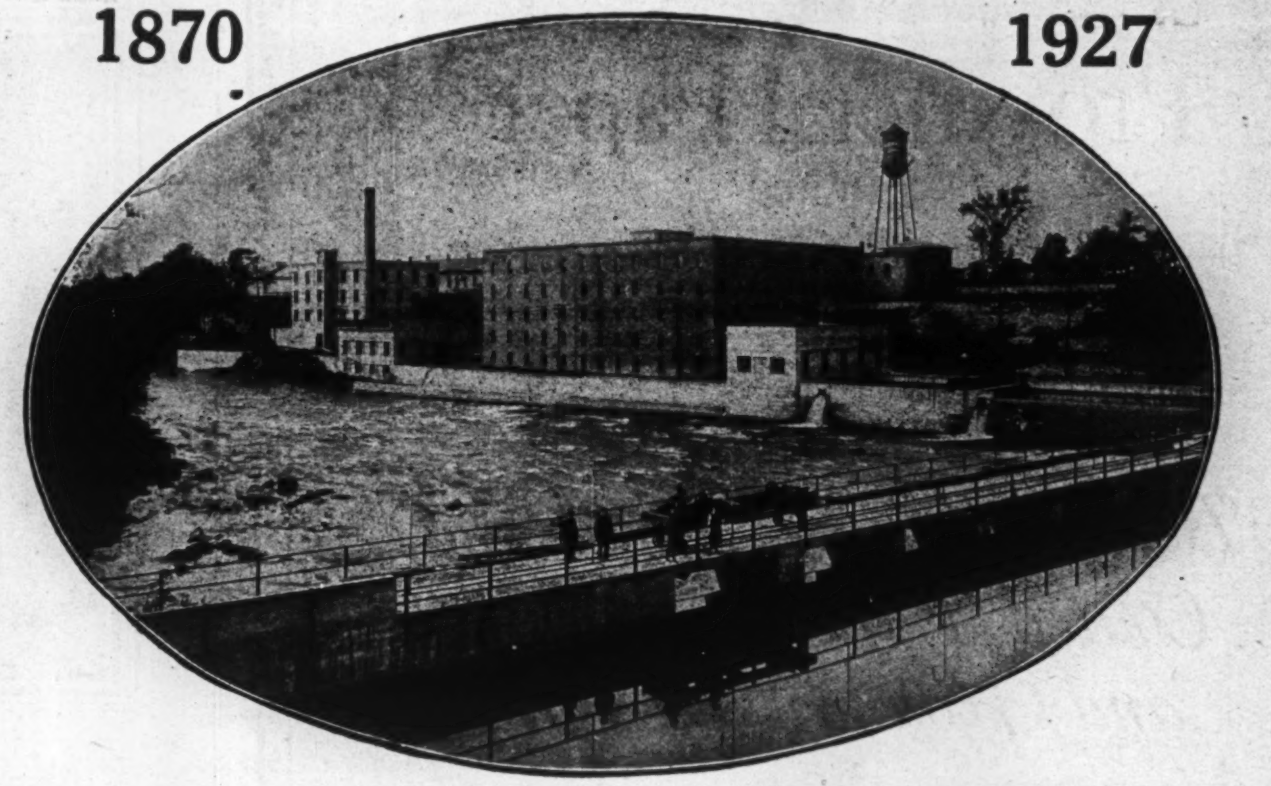

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HEAVY COTTON DUCK (DRYER CANVAS) for PAPER MACHINES

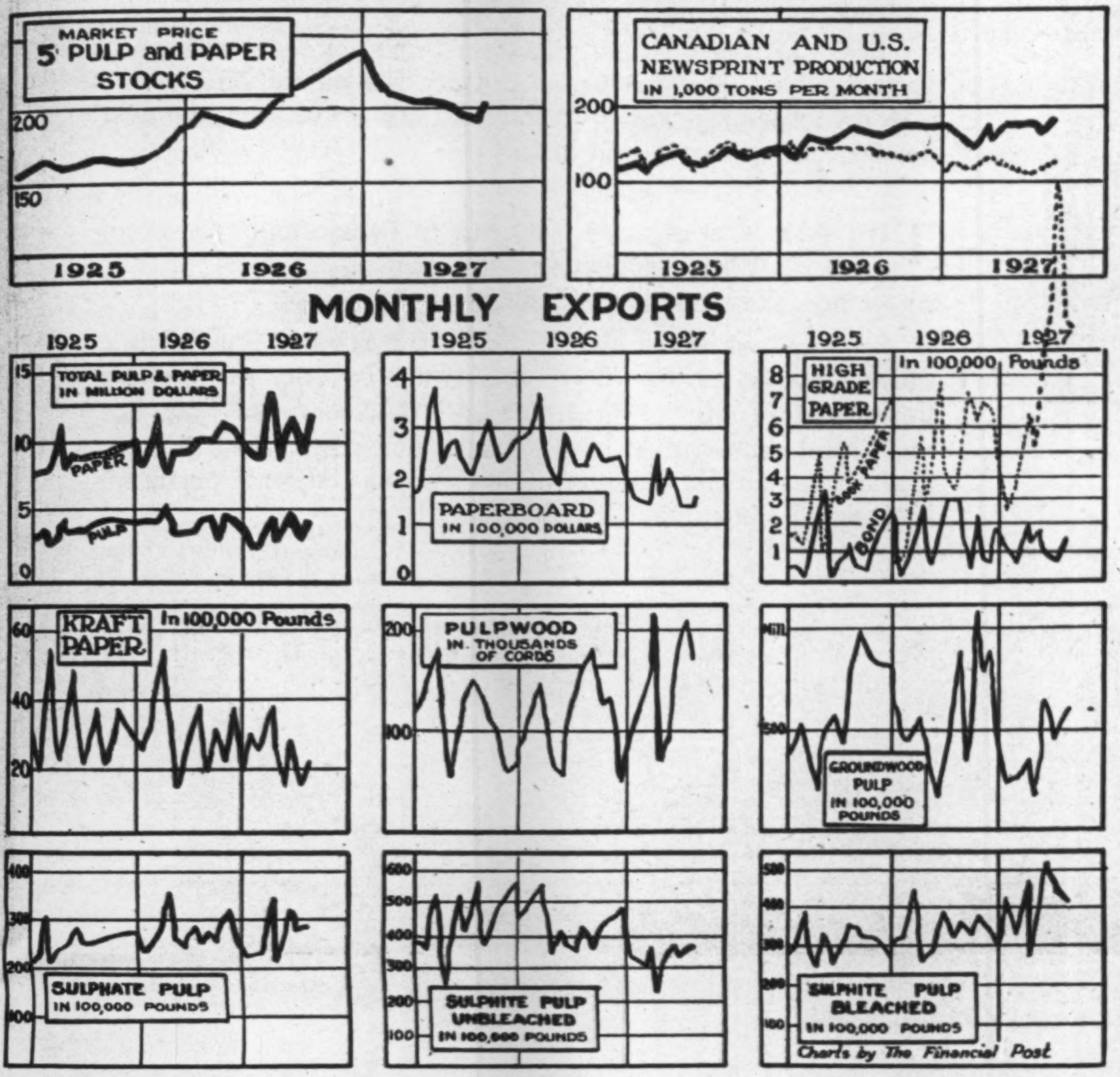
Pulp and Paper Exports Show Industry's Trend

Stocks Appreciate, Discounting Usual Autumn Increase in Demand — Fine Paper, Kraft and Paperboard Mills in Satisfactory Position

A study of the exports of the Canadian pulp and paper industry gives the investor a real idea of the situation now surrounding each branch of the industry. The accompanying chart shows the month by month figures covering the exports of each kind of Canadian pulp and paper.

The upper left hand graph shows the market course of five representative pulp and paper common stocks. The course of the curve in this chart reflects chiefly, though, the position of the newsprint industry for investment interest centres principally on the newsprint stocks. Thus, it will be seen that when the industry was expanding rapidly in 1926, the newsprint stocks steadily appreciated until the beginning of 1927 when the present hesitancy in the market for newsprint made its appearance and the pulp and paper securities consequently declined. Moreover, it can be said that when there is a hesitancy in the market for newsprint, there will be a hesitancy in the market for sulphite pulp also as newsprint is composed of about 25 per cent. sulphite. The remaining 75 per cent. of the raw material that goes into newsprint paper is groundwood pulp. Thus such a situation affects the sulphite producers also.

POSITION OF INDUSTRY SHOWN IN CHARTS



Charts by The Financial Post

Price Again Increasing

The chart reveals that for the first time in several months, the market price of the pulp and paper stocks has again resumed its upward trend. This appreciation in price can be traced to the expectation that this autumn the usual seasonal increase in the demand for newsprint, and paper and pulp of all kinds, will again make its appearance. Any increase in the demand, of course, naturally benefits the mills by allowing them to operate at near full capacity, and thus reduce overhead.

The upper right hand chart compares the monthly production of newsprint in Canada and in the U. S. It shows that Canada is now the larger producer of newsprint and that the U. S. production is, perhaps, declining. The increase in the output of both countries last month is revealed in the chart, but the Canadian output increased more than that of the U. S.

The next chart shows the monthly exports of pulp and paper over the last three years. While the exports of paper have been increasing, the pulp exports have varied but little. In fact, exports of pulp for the twelve months ending August, 1927, were about 5 per cent. lower than during the preceding twelve months and in value were $1,780,000 lower than a year ago. But the total exports of pulp and paper for the twelve months ending August last were valued at $125,052,274 — a decided increase from the $116,762,328 figure of the preceding twelve months. Thus, it will be seen that a greater proportion of the Canadian pulp production is being turned into paper and that the Canadian manufacturers are thus obtaining the additional manufacturing profits.

Paperboard Situation

The chart shows that the exports of paperboard during the present year are decidedly below those of 1926. But this does not indicate that the Canadian paperboard industry is in any less a healthy position than it occupied a year ago. In fact, the reverse is so, and the domestic market for paperboard has been satisfactory this year. The paperboard producers depend for earnings not on exports, but on domestic business and the decline in 1927 means, not that export markets are any worse, but that the domestic market has been more attractive.

On the other hand, the book and bond paper manufacturers, the fine paper mills, have this year experienced a betterment not only in the domestic demand but also in the demand in other countries. The chart shows on the lower curve that exports of bond and writing paper have been marginally below those of last year. The upper curve shows that exports of book paper have risen to unprecedented levels in 1927. Exports of book paper this year to date show an increase of 38 per cent. in value. In volume, the increase is a little larger than this figure so that slightly lower prices are prevailing in the foreign market for book paper than was the case a year ago. In any event, what with the betterment in the domestic demand and the increased exports, it can be seen that the manufacturers of fine paper are experiencing this year the best demand since the post war slump of 1920-21.

Sulphate Market Strong

The two graphs showing the exports of kraft paper and sulphate pulp provide an index of what the kraft paper mills are doing in the export business this year. The kraft mills all have an exportable surplus of sulphate pulp. The sulphate pulp market during the past year has been the best market in the industry and the hesitancy which prevails in other sections of the pulp and paper market has not appeared in the demand for sulphate. Exports for the past twelve months show a marginal increase both in value and in volume over a year ago. Thus, the sulphate market situation seems to be satisfactory.

The foreign markets for kraft paper, however, appear to be less attractive to the Canadian manufacturer than they were a year ago and exports have declined during the past twelve months by some 18 per cent. In value, the kraft paper exports also show a marginally higher decline; so that the kraft producers are obtaining a slightly lower margin of profit on their export sales.

Domestic Market Sound

On the other hand, it may well be that the decline in the exports of kraft is entirely traceable to the marked betterment which has prevailed in the domestic market for this type of paper over the past year. More and more uses are being found for kraft paper daily and the kraft mills in 1927 have done a better business than in 1926. Thus, the export figures of kraft paper alone provide no real index regarding whether or not the situation surrounding the kraft producers is satisfactory or not. In the meantime, all reports indicate that the kraft mills are making satisfactory profits.

The curve in the chart showing pulpwood exports reveals the usual month by month variation; but over the past eleven years there has in reality been but little variation in the amount of pulpwood exported from this country annually. From the 1919 figure, the exports in 1926 show a 39 per cent. increase, but pulpwood exports in 1918 were practically as large as in the past year.

Situation in Groundwood

The groundwood pulp producers depend for their market practically on the demand in the U. S. This year the bottom dropped out of the market for groundwood pulp and as a consequence exports have declined materially during the past twelve months, especially during the past eight months. Prices at present prevailing for groundwood are below the actual cost of manufacture. There seems to be little possibility of those mills which confine their activities only to the manufacture of mechanical or groundwood pulp making satisfactory profits. Further manufacture of the pulp is required before the operators can obtain a satisfactory margin of profit. It seems that the mechanical pulp mills can only make profits when there is an exceedingly strong demand for all grades of paper—such a demand seems to be a long way in the future.

The last two graphs in the accompanying chart show the position of the sulphite pulp industry. While there are many kinds and grades of sulphite pulp changing hands at prices carrying from $40 to $100 a ton, yet the output may be divided into two classes, namely, unbleached sulphite and bleached sulphite pulp.

But Compensating Increase

The curves on the charts show that there has been a material decline in the export of the unbleached variety and a compensating increase in the exports of bleached sulphite. This is satisfactory for the producers obtain an added manufacturing profit on their bleached production. The reason for the decline in the unbleached exports during the past twelve or twenty-four months is traceable to the increased newsprint capacity of the Canadian newsprint mills. These mills have absorbed a larger and larger quantity month by month of the Canadian unbleached sulphite pulp production. Thus, the unbleached sulphite exports have declined, but the bleached output of the Dominion has steadily increased.

At the present time the markets for both varieties of sulphite pulp are not satisfactory. Nevertheless, the bleached and unbleached sulphite mills are operating at much nearer capacity than the newsprint mills and are able to sell their output. Probably a better demand for sulphite pulp of all grades can be anticipated this autumn when the expected usual seasonal increase in the demand for paper in the United States makes its appearance.

Increasing Output

The fact that unbleached sulphite exports have declined during the past twelve months period gives no index of the position occupied by the industry, but the fact that the exports of bleached sulphite have increased about 12 per cent. indicates clearly that the industry is increasing its output and making strides despite the fact that over the past six months the market has not been entirely satisfactory. For its earnings, the sulphite pulp industry depends on export markets practically entirely as the newsprint mills in Canada manufacture their own unbleached sulphite pulp requirements and the bleached variety is utilized in the manufacture of fine paper. The Canadian fine paper manufacturers produce most of their own bleached sulphite pulp requirements and thus Canadian bleached sulphite pulp finds its market in the United States.

Province of Quebec Heads Forest Industry

Quebec heads the list for forest production both for value of material produced and for its equivalent in standing timber. It heads the list in the production of pulpwood both for domestic use and for export and also in the production of firewood, fencing materials and miscellaneous exports. It comes second on the list of provinces for the production of railway ties, square timber, wood for distillation and miscellaneous products.

Ontario is the second most important province on the list for total production, leading in the production of railway ties and wood for distillation and taking second place in the production of logs and bolts for saw mills, pulpwood for domestic use and export, firewood, and poles.

British Columbia comes third on the list for total production, but leads in the production of logs and bolts for domestic use and export, square timber and telephone poles and miscellaneous products. This province comes second on the list in the production of round mining timber.

New Brunswick and Nova Scotia comes next in order, being important producers of logs, pulpwood and firewood. Nova Scotia is the most important producer of round mining timber in the Dominion. Forest production in the three Prairie Provinces and Prince Edward Island is made up chiefly of firewood, logs and fencing materials together with pulpwood in Manitoba and round mining timber in Alberta.

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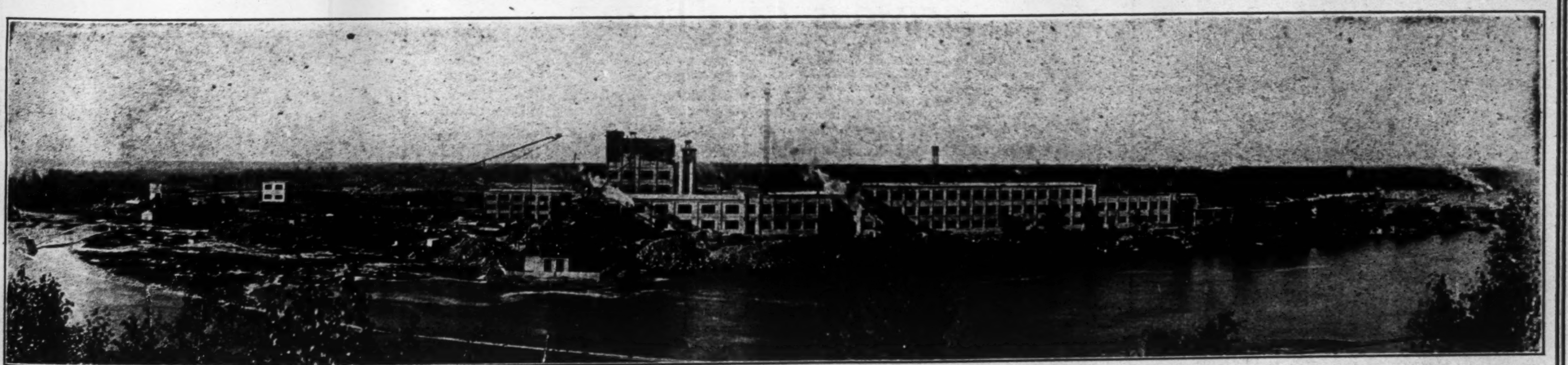

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500 Millions With a Blaze Under It

THE effect of the Canadian Forestry Association's campaigns for forest fire prevention is to place an "insurance" policy on the distribution of $500,000,000 a year from forest industries to the Canadian people.

Since Confederation, 700,000 square miles of Canadian woodlands have been devastated by man-set fires, as against 100,000 square miles utilized by the axe. Six thousand forest fires have broken out each year for the past six years, and 91 per cent. of them preventable.

The Canadian Forestry Association's business is to turn "preventable" into "prevented." Once the public who start the fires are organized and instructed in fire prevention, wholesale devastation will pass into history.

THE task is a gigantic one, but is being definitely accomplished. Where educational campaigns are most intensive, forest fires show a steady decrease.

Six hundred of the leading business houses of the Dominion, owning no timber whatever, are loyally backing the Canadian Forestry Association with grants up to $1,000 each. They know that forest conservation builds Trade, not Trees. And they have confidence that the Canadian Forestry Association is performing its task with maximum efficiency.

The Methods Used

Canadian Forestry Association is a citizens' institution for the performance of a vital national service. It is identified neither with governments nor commercial interests.

Education of the public is the keystone of forest conservation in Canada. The public destroy the forests by carelessness with fire. The axe is a relatively minor factor.

To win public co-operation in forest protection is to perpetuate the forest resources for future generations. There is no factory substitute for an instructed and alert public. Unless the source of 91 per cent. of forest damage (public indifference) is corrected, no mechanical equipment, no army of rangers can successfully combat the fire menace in a season of dangerous weather.

The Canadian Forestry Association employs every effective method of direct-contact education, such as fourteen travelling lecturers with electrical and motion picture equipment, railway lecture cars, newspaper propaganda, campaigns in 10,000 schools, etc., etc.

The results are so practical and so economical that practically every Government and private forest protective agency now looks upon education as the first line of defence against the hazard of forest fires.

No Man's Land! And preventable forest fires create a fresh contribution of 3 million acres a year. Can you see any business coming to you from this?

MR. JOHN H. PRICE,
President for 1927
Canadian Forestry Association

OPINIONS THAT COUNT

G. H. Prince, Deputy Minister of Lands and Mines, New Brunswick: "The remarkable development of the Canadian Forestry Association stands out as the greatest educational and publicity scheme in favor of forest fire prevention ever developed by any country."

Joseph N. Shenstone, President, Massey-Harris Company: "I believe the Association is doing a truly wonderful work. The coming generations will be, or ought to be, very grateful to you for the splendid results of your intelligent energy."

E. W. Beatty, President Canadian Pacific Railway Co.: "It is a matter of great gratification to all of us that the work of your Association is being carried on with such conspicuous success."

The Laurentide Company Limited: "We are thoroughly satisfied with the way your educational work has been carried on in our section of the province and wish to offer you our congratulations."

Canadian International Paper Co.: "Your men are doing very excellent work in our districts."

The Brown Corporation: "Permit me to congratulate you on the results of your work. Only by education and supervision of those in the woods will the menace of destruction by fire be eliminated."

St. Maurice Forest Protective Assoc.: "The low number of fires, less than forty per year in this much travelled district of 14,000 square miles, during the past three years, is good evidence of a fire-conscious public and our officers agree that a large share of the credit is due the Canadian Forestry Association."

H. G. Schanche, Woods Manager, Abitibi Power and Paper Co.: "The Association is rendering an invaluable service."

ROBSON BLACK,
Manager
Canadian Forestry Association

Canadian Forestry Association Inc.

51 Sparks Street, Ottawa

MONTREAL
84 St. Antoine St.

VANCOUVER
Metropolitan Bldg.

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, SEPTEMBER 30, 1927 No. 39

Pulp and Paper Production Brought Canada $224,500,000 in New Wealth

Output of Paper Reached Two and a Quarter Million Tons and of Pulp Over Three Million Tons

In 1926 Canada's pulp and paper industry added $224,000,000 to the nation's wealth. The manufacturing end alone had a value of $215,488,315.

Figures are just available to show that the industry reached new peaks in production in that year. The high point of 1920 in value of production was barely missed, but 1926 prices were not 1920 prices. The physical volume of production in 1926 broke all records.

Canada produced in 1926: 5,621,305 cords of pulpwood; 3,229,791 tons of pulp; 2,266,143 tons of paper, including 1,889,208 tons of newsprint.

A preliminary report on the Pulp and Paper Industry in Canada for the calendar year 1926 has just been issued by the Forest Products Branch of the Dominion Bureau of Statistics. The industry as a whole includes operations in the woods with pulpwood as a product, the manufacture of pulp and the manufacture of paper, all of which are covered by the report.

The pulp and paper industry is the most important industry in Canada with regard to net and gross value of production as well as total value of wage and salary distribution. Canada leads the world in the manufacture of newsprint paper and exports more of this commodity than all the rest of the world combined. While the manufacture of other classes of paper is not so important relatively as far as quantity is concerned, Canada's paper mills manufacture or are equipped to manufacture every variety of paper used in the country at present and the quality of the Canadian product is equal or superior to that manufactured elsewhere.

The total value of pulpwood produced in Canada's forests shows an increase of 9.5 per cent. The total of pulp manufactured increased by 14.9 per cent. and the total value of paper produced increased by 12.6 per cent. If the three forms of industrial activity covered by this report are considered as one then the net total value of production for the industry as a whole might be considered as the sum of the pulpwood exported, pulp exported and paper manufactured. This total for 1926 was $224,539,271, an increase of 10.7 per cent. over the figure for 1925. These totals for the last five years are as follows: 1922, $158,483,377; 1923, $188,642,109; 1924, $187,174,703; 1925, $202,781,017; 1926, $224,539,271. The maximum which was reached in 1920 owing to the high prices prevailing at that time was followed by a decided decrease in 1921 but 1922 and 1923 showed increases. There was a slight decrease in 1924 due to a decrease in pulp manufacture, but there were increases in all branches of the industry in 1925 and 1926. The figure for 1926 is the highest in the history of the industry.

Manufacturing Value $215,000,000

If only the manufacturing aspect of the industry is to be considered, the value of production should be considered as the sum of the values of pulp made for sale in Canada, pulp made for export and paper manufactured, excluding pulpwood and the pulp made in the combined pulp and paper mills for their own use in making paper. This total for 1926 was $215,488,315 as compared to $193,092,937 for 1925 an increase of 11.6 per cent. The gross value of the manufactured products of the industry in the last five years are as follows: 1922, $155,785,388; 1923, $184,414,675; 1924, $179,259,504; 1925, $193,092,937; 1926, $215,488,315.

There were 115 mills in operation in Canada in 1926 as compared to 114 in 1925. Of these mills 44 made pulp only, 36 were combined pulp and paper mills and 35 made paper only. During the year one pulp mill began the production of paper, one paper mill ceased operating, one idle paper mill resumed operations and one new paper mill began operations. The 80 mills manufacturing pulp produced 3,229,791 tons valued at $115,154,199 as compared to $2,772,507 tons in 1925 valued at $100,216,383 representing an increase of 16.5 per cent. in quantity and 14.9 per cent. in value. Of the total for 1926 the combined pulp and paper mills produced 2,031,994 tons valued at $58,061,003 for their own use in paper-making, 135,819 tons valued at $6,622,255 were made for sale in Canada and 1,061,978 tons valued at $50,470,941 were made for export.

The 71 mills making paper in 1926 produced 2,266,143 tons of paper valued at $158,395,199 as compared to 1,884,705 in 1925 valued at $140,680,177 an increase of 20.2 per cent. in quantity and 12.6 per cent. in value.

Newsprint paper made up 83.3 per cent. of the total reported tonnage of paper manufactured in 1926. The newsprint amounted to 1,889,208 tons valued at $121,182,987, as compared to 1,536,523 tons in 1925 valued at $106,268,641, an increase of 23 per cent. in tonnage and 14 per cent. in total value. Under the heading of newsprint in Canada are included newsprint in rolls and sheets for printing, hangings and poster paper. The reported newsprint production in the United States during the calendar year 1926 was 1,686,695 tons but this figure does not include hangings or poster paper. When these two classes are deducted from the production in Canada during the calendar year 1926 the figure for comparison is 1,882,384 tons, showing that the Canadian production of this commodity has increased until it is almost two hundred thousand tons greater than that of the United States.

Nearly 30,000 People Engaged

The total capital invested in the manufacturing part of the industry in 1926 was $501,184,714 as compared to $460,397,772 for 1925, an increase of 8.9 per cent. Only capital invested in mills operating in 1926 in included in this total.

The total number of employees on salaries and wages in pulp and paper mills in 1926 was 29,880 and the total pay roll was $44,175,502 as compared to 28,031 employees in 1925 with salaries and wages amounting to $38,560,905.

The apparent total production of pulpwood in 1926 was 5,621,305 cords valued at $68,100,303 as compared to 5,092,461 cords in 1925 valued at $62,181,537. Of the total production in 1926 about 75.2 per cent. or 4,229,567 cords valued at $54,033,273 were manufactured into pulp in Canadian pulp mills while the remaining 24.8 per cent. or 1,391,738 cords valued at $14,067,030 were exported to the United States. These figures show a decrease from 28 per cent. in 1925 to 24.8 per cent. in 1926 in the proportion of pulpwood exported, and the actual quantity of pulpwood exported unmanufactured also shows a decrease. The quantity of pulpwood used in Canadian mills has increased by 15.3 per cent. during this period. There are no importations of pulpwood into Canada.

The total value of all materials going into the manufacture of pulp in 1926 was $63,007,119 and the total value of all pulp produced, including that made in combined pulp and paper mills for their own use was $115,154,109

Buy $158,000 of Materials

The total value of all materials used in the manufacture of paper in 1926, including pulp made in combined establishments for their own use was $78,868,799 and the total value of paper and miscellaneous pulp products manufactured was $158,395,119.

The exports of wood pulp from Canada during the calendar year 1926 amounted to 1,005,779 tons valued at $52,077,122 as compared to 961,367 tons in 1925 vlaued at $47,951,905. During the same calendar year the imports of wood pulp were 458,752 cwt. valued at $1,208,188 showing a decrease from the imports of 1925 in both quantity and total value.

The exports of paper and paper goods during the calender year 1926 were valued at $121,414,513 as compared to $106,624,046 in 1925. These exports were made up chiefly of newsprint paper of which 1,731,986 tons valued at $114,090,595 were exported chiefly to the United States. This represents an increase in quantity and total value over the 1,401,651 tons valued at $98,945,337 which were exported in 1925. During 1926 the total value of paper and paper goods imported was $10,907,946, a slight increase over the imports for 1925.

Helps Trade Balance by $175,000,000

The gross contribution toward a favorable trade balance resulting from the activities of the pulp and paper industry as a whole in 1926 amounted to approximately $175,372,531 being made up of the value of pulpwood exported amounting to $14,067,030, the difference between the value of the pulp exported and pulp imported amounting to $50,868,934 and the difference in value between paper exports and imports amounting to $110,436,567 The total for 1925 was $158,308,167.

Production of Pulp and Paper Industry

Gross Production

	Total production			Total gross value of production
	Pulpwood cords	Pulp tons	Paper tons	$
1920	4,024,826	1,960,102	1,214,951	334,987,904
1921	3,273,131	1,549,082	1,018,947	238,128,992
1922	3,923,940	2,150,251	1,366,815	242,768,725
1923	4,654,663	2,475,904	1,589,303	294,282,408
1924	4,647,201	2,465,011	1,718,741	281,497,285
1925	5,092,461	2,772,507	1,884,705	303,078,097
1926	5,621,035	3,229,791	2,266,143	335,610,855

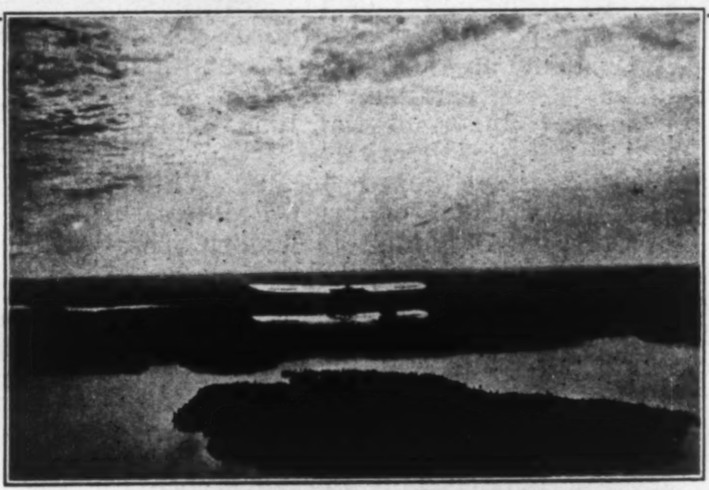
Net Value of Production

1920	$232,032,227
1921	149,215,005
1922	155,788,388
1923	184,414,625
1924	179,259,504
1925	193,092,937
1926	215,488,315

Paper Production by Provinces, 1926

	Tons	Value
Quebec and New Brunswick		
Newsprint	1,005,379	$63,993,748
Book and writing paper	29,774	5,914,721
Wrapping paper	64,630	6,078,353
Paper boards	47,261	2,946,680
Other paper	29,689	2,908,071
Other products	......	7,955
Total	1,176,733	$81,849,528
Ontario		
Newsprint	707,041	$46,117,830
Book and writing paper	50,556	8,828,954
Wrapping paper	21,034	1,473,144
Paper boards	108,208	5,879,124
Other paper	8,525	1,432,631
Other products	......	86,896
Total	895,364	$63,818,579
British Columbia		
Newsprint	176,788	$11,071,409
Book and writing paper	73	22,050
Wrapping paper	11,393	1,000,903
Other paper	5,792	632,650
Total	194,046	$12,727,012
ALL CANADA		
Newsprint	1,889,208	$121,182,987
Book and writing paper	80,403	14,765,725
Wrapping paper	97,057	8,552,400
Paper boards	155,469	8,825,804
Other paper	44,006	4,973,352
Other products	......	94,851
Total	2,266,143	$158,395,119

AVIATION
Flying Boats and Aeroplanes
of
Canadian Design
Canadian Manufacture
and
Canadian Material



VEDETTE—3-Seater Forest Patrol Machine

AVIATION
Machines Designed
for
Any Purpose
and
Climate

CANADIAN VICKERS LTD.

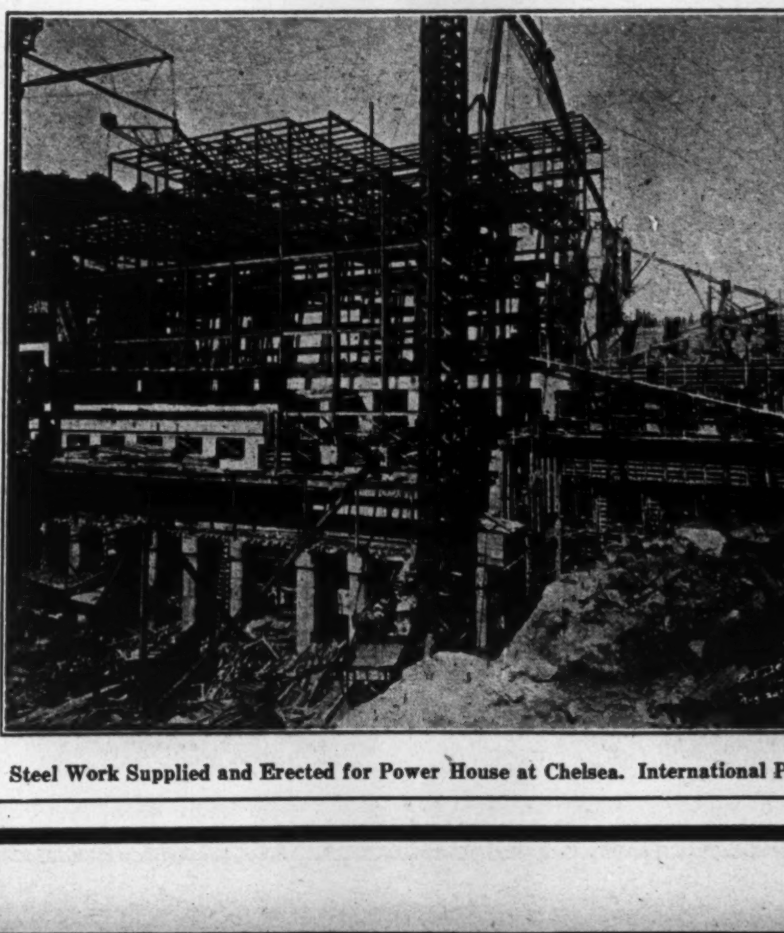
SHIP WORK
Design Building Repairs Tugs Barges
Logging Craft
25,000-ton Capacity Floating Dock

Canadian Vickers Floating Drydock with "S.S. Montrose" Drydocked

GENERAL ENGINEERING
Pulp and Paper Mill Equipment:—
Digesters, etc.
Hydro Electric Equipment:—
Travelling Car Gate Hoists
Stationary Gate Hoists
Stop Log Hoists
Penstocks
Boiler and Combustion Equipment:—
Kidwell Bent-tube Boilers
Vickers Straight-tube Boilers
H. T. R. Boilers
Steam Accumulators
Stacks
Mining Machinery:—
Electric Hoists
Tube Mills
Skips Cages
Mine Cars Screens
General:—
Oil Stills Tanks Steel Buoys

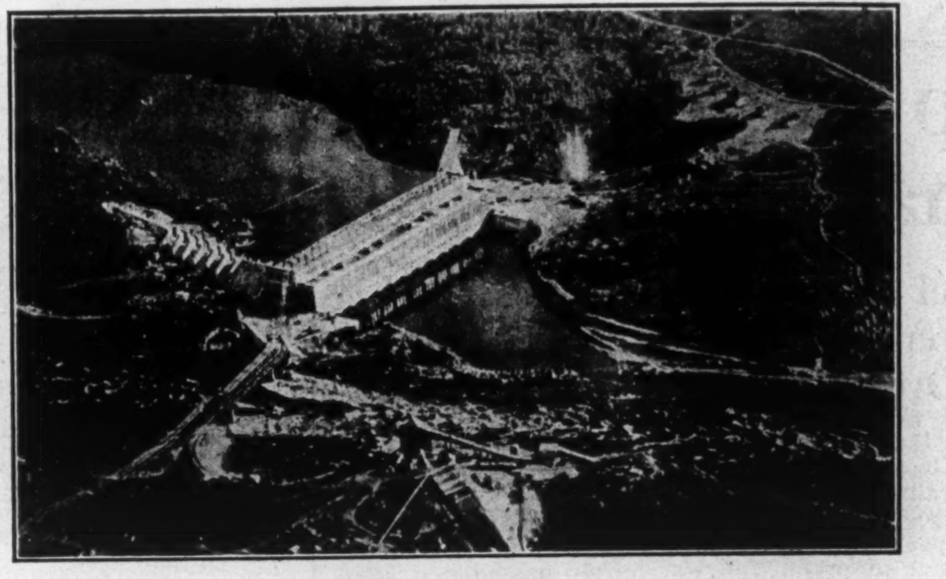
MONTREAL
Quebec

STRUCTURAL STEELWORK
Fabricated and Erected for Bridges, Industrial Plants, Sluice Gates and Buildings of all Descriptions



Steel Work Supplied and Erected for Power House at Chelsea. International Paper Co.

Riverbend Mill from the Air—One of the four Pulp and Paper Mills of Price Brothers & Company, Limited.



The Duke Price Power Plant from the Air.—One source of Power for the Mills of Price Brothers & Company, Limited.

STABILITY

A Great Forest Industry Well-Founded on Economic Essentials—Inexhaustible Timber Areas Easy of Access, Company-Owned Hydro-Power at Hand, and Diversity of Products.

P B

ESTABLISHED OVER 100 YEARS

Some Salient Facts

Timber areas 8,564 sq. miles

Present Daily Newsprint Capacity

- Kenogami — 500 tons
- Riverbend — 200 tons ultimately increasing to 600 tons
- Jonquiere — 35 tons

Hydro-Power Resources

- Developed — 63,250 h.p.
- Undeveloped — 61,000 h.p.
- Available h.p. from the Duke-Price development 145,000

Sawmills Annual Production

- 60,000,000 ft. b.m. of lumber
- 42,000,000 shingles
- 13,000,000 laths

Annual sales of Pulp, Paper and Lumber Products exceed $11,000,000.

Peak employment 10,000 workers.

Annual distribution in salaries and wages approximately $5,750,000.

IT IS of interest that the growth and sound progress of Price Brothers and Company in the lumbering and pulp and paper field parallels that of the success of another important Canadian achievement — the growth of McGill University. This fact is mentioned because William Price, the founder of Price Brothers, in 1817 associated himself in lumber operations with James McGill, the founder of McGill University.

The success of both these undertakings and the important part they play in their respective fields in Canada today is but a tribute to the solid foundation on which they are builded plus the adherence of those who came after to the ideals, the initiative, the vision and sound business methods which inspired the founders.

Price Brothers today is in an especially favorable position. Economists agree that the future of Canada's pulp and paper industry is secure with those companies with adequate timber limits readily accessible, low production costs through modern mill efficiency and adjacent low cost hydro-power, and a record of proven management. Price Brothers have well nigh inexhaustible timber limits—further augmented by the recent part purchase of the Quebec Pulp and Paper Mills.

In hydro-power, Price Brothers and Company control water powers of an estimated capacity in excess of 125,000 h.p. with a present developed capacity of 63,250 h.p. In addition, Price Brothers are now using 145,000 h.p. from the Duke-Price Power Company in which Price Brothers have a 25 per cent. stock ownership.

The record of management stands. Constant research work and experimentation in improved methods and far-seeing policies are, we believe, maintaining the company's traditional standards of sound management.

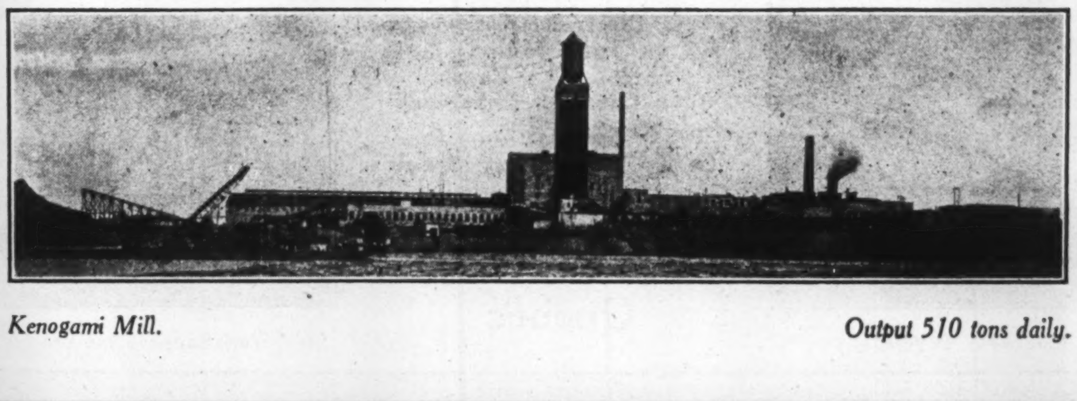
Newsprint Paper, Fourdrinier Specialties, Cardboard, Groundwood Pulp, Sulphite Pulp, Pulpwood, Spruce Lumber, Cedar Shingles, Laths, Ties.

PRICE BROTHERS & CO.

LIMITED

QUEBEC, CANADA

PULP AND PAPER
MILLS
Kenogami
Riverbend
Jonquiere



Kenogami Mill. *Output 510 tons daily.*

SAW MILLS
South and North
Shores, St. Lawrence
and Saguenay Rivers

Lake St. John

Production Has All Been Sold — Plant Now Nearing Production

By the end of the current year, the Lake St. John Power & Paper Co. will place in operation the first 110 ton unit of its new 220 ton newsprint mill which is now under construction at Mistassini, on the Mistassini, River, north of Lake St. John, P.Q. Ultimately, the company contemplates extending the development presently under way from a production of 220 tons of newsprint to 440 tons per day.

Investment interest in the company is of some magnitude, for a bond issue of $5,000,000 and a debenture issue of $3,000,000 were sold publicly this year to erect the plant. The debenture issue carried with it a bonus of common shares. The company holds under lease from the Province of Quebec timber limits covering about 1,000 square miles, estimated to contain not less than 6,000,000 cords of pulpwood, thus ensuring an adequate supply of wood for over 60 years for the mill now in course of construction. Power is supplied by a contract with the Duke-Price Power Company, which is sufficient for all requirements. It also holds under lease from the provincial government water power sites on the Mistassini and Mistassibi rivers, estimated to be capable of producing 20,000 horsepower at low cost.

Pulpwood Adjacent to Plant

The company is located near to its wood supply and its power will be furnished at low cost. Thus it is anticipated that the company will be one of the lowest cost producers in the Dominion. An extension of the Canadian National Railway lines has recently been completed, to the mill, thus ensuring adequate transportation facilities.

Like Brompton, Lake St. John Power & Paper will not be affected by the present hesitancy in the newsprint market, for it has contracted with one of the largest and financially strongest publishing interests in the United States, said to be the Hearst interests, for the sale for a term of ten years of the entire output of the mill now under construction.

It is said that the price at which the company has contracted for its output may vary with the ups and downs in the market price for newsprint paper. In any event, though, there seems no doubt that the company will earn its bond and debenture interest by a wide margin.

Capitalization—

	Authorized	Outstanding
Common ...... (No par value.)	100,000 shs.	100,000 shs.
Preferred .... (Par $100.)	$2,000,000	$2,000,000

Funded Debt—

First mortgage 6½ per cent. due 1947, $5,000,000.

Debentures issued, $3,000,000.

Mortgage debs. series "A" 6½ per cent., due 1942, $3,000,000.

Officers—E. A. Wallberg, pres; A. F. White, R. O. Sweezy, H. H. Horsfall, vice-pres.; T. A. Gass, sec.; John Stadler, gen. mgr.; J. A. Macarthur, treas.

Directors—E. A. Wallberg, H. H. Horsfall, A. L. Fullerton, T. A. Gass, Toronto; R. O. Sweezey, Montreal.

Dividend Record—

Dividends on preferred stock are cumulative from July 1, 1928.

St. Regis Paper

Construction Plans Depend Entirely on the Market for Newsprint

The St. Regis Paper Company is to erect a 400 ton paper mill at Cap Rouge near the City of Quebec—but construction work on the new plant will not begin this autumn. It is thought that the work will perhaps commence in 1928.

The company has been granted a commutation of taxes for a period of fifteen years on its projected mills. The mills will cost $5,000,000. The company obtained the site at a cost of over $100,000.

It is interesting to note that this additional tonnage will not in reality constitute an increase in the total output of the parent company in the United States, for the latter has more than cut in two its original daily production of 400 tons of newsprint in the States, and has changed one mill over to the production of other grades of paper.

The St. Regis Paper Company of Canada is the Canadian subsidiary of a United States company of the same name. The company owns and leases valuable timber limits in the Province of Quebec.

The fact that the parent company is more and more getting into the hydro electric power business in the States, indicates that for the future possibly larger expansion will be undertaken in this country.

Just how soon expansion will be undertaken in this country depends entirely on the newsprint market. For some years the company has delayed expansion in Canada in anticipation of the present hesitancy in the demand for newsprint. Unless the market shows some betterment it is entirely probable that the erection of a Canadian mill will be delayed still further.

In addition to controlling the Canadian company, the parent U.S. organization owns 78 per cent. of the shares of the Power Corporation of New York. The trend of the parent company's operations in the States appears to be away from newsprint and into power production.

The Canadian company is a large producer of pulpwood and its logging plants and equipment in the Province of Quebec have an annual capacity of over 100,000 cords. These plants are located at Godbout and Oscelanea, P. Q. The timber lands controlled by the Canadian company total more than 230,000 acres which are estimated to contain 2,500,000 cords of pulpwood.

Capitalization—

Capitalization of St. Regis Paper Co. of Canada Ltd.:

	Authorized	Outstanding
Pref. stocks	$1,500,000	$658,600
Com. stk., shares .... No par value.	100,000	100,000

98 per cent. of the common stock is owned by the parent company.

Bonded Indebtedness—

6½ per cent. debenture notes serial	$1,500,000	$1,350,000

Dividend Record—

Preferred 8 per cent. cumulative, the dividend being guaranteed by the parent company.

Officers—F. L. Carlisle, pres.; C. B. Martin, sec.-treas.

Western Quebec Paper

Markets for This Company Have Been Unsatisfactory

The Western Quebec Paper Mills situate at St. Andrews East, Que., will have completed its third year of production in November of this year. Earnings for the first year's production while low were sufficient to meet the company's bonded indebtedness consisting of $225,000, 6½ per cent., first mortgage bonds and $150,000 8 per cent. debentures.

While the figures are not available, it is anticipated that the company's earnings this year will show a little betterment over a year ago. The markets for the output of the plant have been unsatisfactory.

The direction of the company is in the hands of a capable executive and the plant is equipped to produce several different grades and kinds of paper such as tissue, manifold, onion skin and other specialties, which have been imported in the past.

The mill has an annual capacity of from 1,800 to 2,000 tons. It owns outright more than two-thirds of its total power requirements and possesses a favorable contract for the remainder.

The company has a capacity of from four to eight tons of paper daily depending on the quality of the product being manufactured. It is estimated that a production of 1½ tons a day is sufficient to earn the bond interest The first six months of 1926 proved encouraging but owing to trade disturbances sales fell off during the latter part of the year.

Capitalization—

Authorized and issued, 10,000 shares. (No par value).

Funded Debt—

First mortgage, 6½ per cent. bonds due 1948, $225,000 outstanding.

Debentures 8 per cent., issued $150,000.

Officers—R. W. Barcley, pres.: Wm. Currie, vice-pres.; C. de Wolf Reid, gen. mgr.; J. M. Robertson, H. M. Banks.

Canadian Pulp Mills Started 87 Years Ago

For more than a century we have been manufacturing paper in Canada, but to 1860 it was made out of rags, wood pulp being still unknown. The demand for paper outgrew the supply of rags, and in certain woody substances found, for example, in the aspen and the poplar, the spruce and fir, and also the basswood, a new raw material was discovered which was practically inexhaustible, and which was to reduce the cost of paper-making, and aid in the development of the newspaper. Very large and increasing quantities of wood pulp are now used in the production of newsprint.

The first Canadian paper factory was established at Crook's Hollow in Ontario, then known as Upper Canada. It was in the province of Quebec, at Windsor Mills, that Angus & Logan erected in 1870 the first factory for making pulp and paper out of wood. In 1887, Charles Riordon established at Merritton, Ontario, the first plant for the treatment of wood pulp with sulphite.

In this interesting Canadian industry there are three distinct operations: the cutting of the pulpwood, the manufacture of the pulp, and the manufacture of the paper therefrom. The wood is transported to the pulp mills in different ways: either by floating it down the rivers in booms containing thousands of logs eight feet or more in length, or by rail, in which case the wood is cut into pieces two or four feet long, and the bark is removed before shipping.

The long logs are cut by operators who float them down to the pulp mill, or to a sawmill where they are cut up and barked to reduce the cost of transportation by rail to their destination.

Our farmers, especially in the newly settled districts, furnish the mills with a large quantity of pulpwood. In clearing their land they set aside the wood which they cannot dispose of more profitably in other ways; they cut it up and remove the bark in their spare time, haul to the railway each winter the supply prepared the previous spring, and sell it to the pulp mill agents.

A federal law dating from 1907 forbids the export of unmanufactured pulpwood cut upon the Crown lands of any Canadian province, with the exception of Nova Scotia.

The paper produced from the wood pulp is put to many uses, as newsprint, wrapping paper, etc., in sheets or in rolls, tar-paper, wall-paper, cardboard, etc.

Fraser Companies

Undertakes Large Expansion Programme — Production Will Total 430 Tons Daily — Earnings This Year Increase

The Fraser Companies is again expanding. At the present time it operates three mills, two in Canada and one in the United States. The Edmundston, N.B., mill has a present capacity of some 45,000 tons of bleached sulphate pulp annually. The Chatham, N.B. mill produces 18,000 tons of unbleached sulphite pulp and the Madawaska, Maine, mill has a capacity of 20,000 tons of high grade sulphite paper annually. About half the Edmundston output goes through a pipeline to the Madawaska mill situated just across the border there to be converted into high grade paper.

Upon the completion of the construction program now in progress the company, with its wholly-owned subsidiary, the Fraser Paper at Madawaska, will have the following annual capacity:

	Tons
Edmundston, N.B.	
Bleached sulphite pulp	60,000
Unbleached sulphite pulp .	12,000
Paperboard	21,000
Groundwood pulp	24,000
Chatham, N.B.	
Unbleached sulphite pulp .	18,000
Madawaska, Me.	
Sulphite paper	51,000
Board	39,000

Started 50 Years Ago

The company and its predecessors commenced operating in 1877. It has steadily developed and been expanded during the past 50 years. The Fraser Companies in addition to its large pulp and paper output is one of the largest manufacturers in eastern Canada of spruce and cedar lumber. It controls directly and through wholly-owned subsidiaries over 4,500 square miles of timber limits in Quebec and New Brunswick. To finance the expansion program now underway the company has just issued $5,000,000 in debentures. In addition, the common shares were split three for one and changed from $100 par value to no par value.

In addition to the expansion noted in the foregoing, the company is constructing a high tension transmission line approximately 40 miles in length from Grand Falls to Edmundston, N.B. Power for the operation of the additional units now being installed will be obtained over this line under long term contract from the Saint John River Power Company. It is understood that the initial unit of the company's present expansion program will be in operation on January 1 next and that additional units will come into production in March and October of next year. The whole expansion program will be completed by November 1 next when the company's output of pulp and paper for sale will amount to 430 tons per day.

The company operates thirteen saw mills in Quebec and in New Brunswick with a large lumber production which is further augmented by the company's ownership of all the shares of Stetson-Cutler and Company, Limited.

The company has developed steadily in ten years from the principal lumber manufacturer in eastern Canada to a well rounded out organization having as its chief source of income its output of pulp and paper products.

Earnings this year are substantially in excess of those of the corresponding period of a year ago, and the company is maintaining itself in a strong liquid position. The results which have been achieved are such that the present expansion program has been initiated.

The Fraser Companies are fortunate in that about half the production of sulphite is sold to the wholly owned American subsidiary, which is reported to be making substantial earnings. Thus, the company obtains a satisfactory market for its production. The company's own power plant produces 2,000 h.p.

Capitalization—

	Authorized	Outstanding
Common .... (No par value.)	312,000 shs.	300,000 shs.
Preferred .... 7% cumulative convertible.	3,000,000	2,325,000

Common stock all owned by Fraser family and by employees of the company.

Funded Debt—

First mortgage 6% bonds, series "A", due 1950, $7,664,500.

Gold deb., 6½ per cent., due 1942, $5,000,000.

Dividend Record—

Dividends on preferred paid regularly, Jan., Apr., July and Oct. 1. initial payment of 1¾% being made Apr., 1925. On common stock dividends at the rate of 2% per annum payable quarterly Apr., July and Oct. 1. First paid, April, 1926.

Officers and Directors—

A. Fraser, pres. and gen. mgr.; D. Fraser, vice-pres.; W. Matheson, sec.; T. Matheson, A. W. Brebner, treas.; W. C. Pitfield.

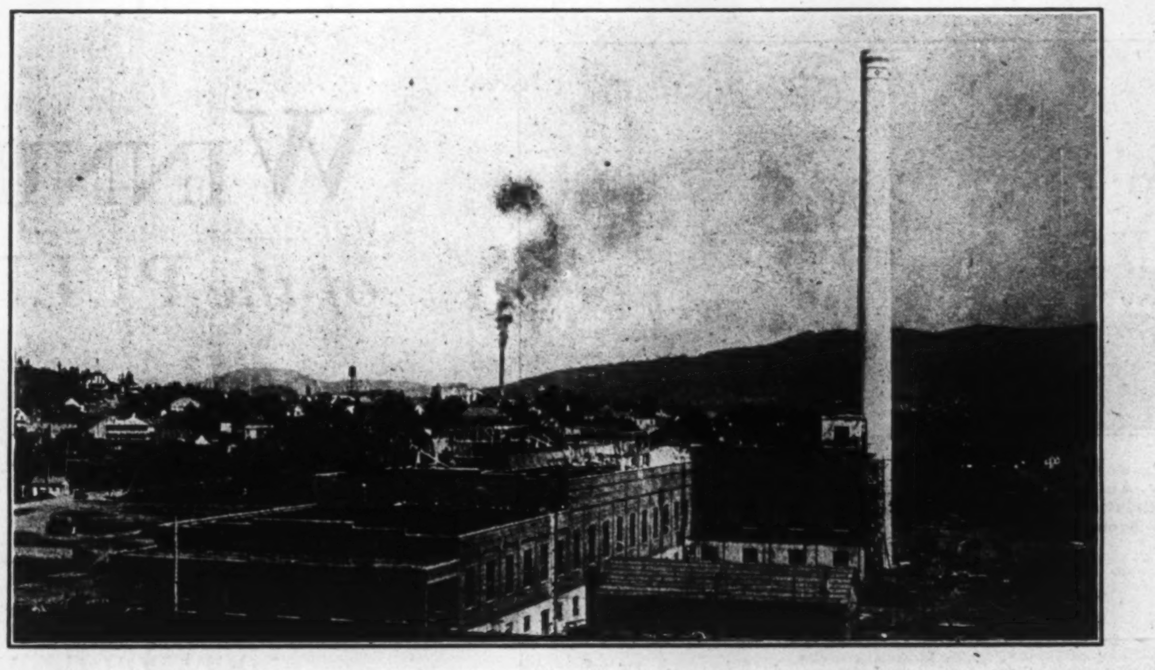
Profit and Loss—

	1926	1925	1924
Profits	$1,561,825	$1,133,071	$1,129,324
Less:			
Interest ..	$511,987	$373,821	$376,693
Depreciation	291,698	224,067	220,495
Depletion	147,728	146,654	174,012
Dis. on secs.	84,500	123,000	91,500
	$1,035,913	$867,540	$862,700
Net profits .	$525,912	$265,531	$266,624
Pref. dividends	157,350	109,868	....
Com. dividends	200,000	....	....
Prem. on bonds	......	241,530	....
Surplus for yr.	$168,562	*$85,876	$266,624
Prev. surplus	1,182,409	1,268,278	1,001,654
Total surplus	$1,350,971	$1,182,409	$1,268,278

*Deficit.

Market Record—

Year	Preferred High	Preferred Low
1927 (to date)	102	96



Sulphite Paper Mill at Madawaska, Maine (showing Edmundston Pulp Mill in background)).

FRASER COMPANIES
LIMITED
AND SUBSIDIARIES

Manufacturers of High-grade Bleached and Unbleached Sulphite Pulp, Sulphite Papers, and Lumber Products

Annual Capacity of Pulp and Paper Mills
(On completion of additional construction now in progress)

	Tons
EDMUNDSTON, N.B.:	
High-grade Bleached Sulphite Pulp	60,000
Unbleached Sulphite Pulp	12,000
Paper Board	21,000
Groundwood Pulp	24,000
CHATHAM, N.B.:	
Unbleached Sulphite Pulp	18,000
MADAWASKA, Me.:	
High-grade Sulphite Papers	51,000
High-grade Board	39,000

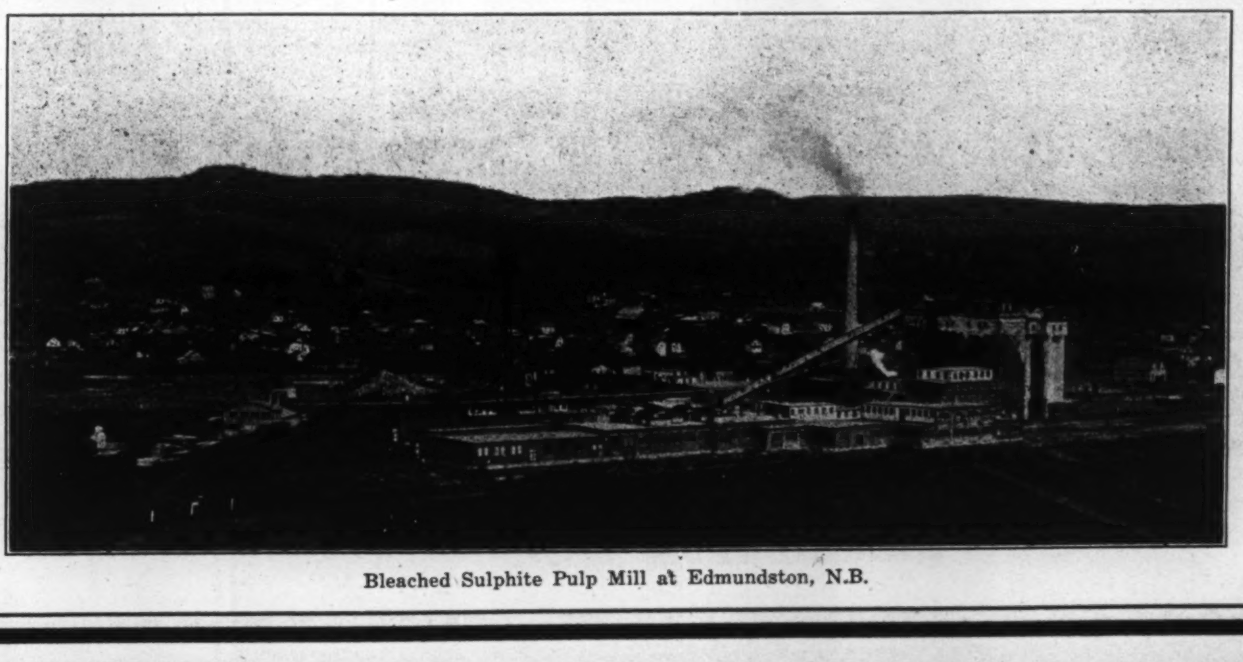
Annual Capacity of Saw Mills

Lumber, feet board measure	202,000,000
Shingles, pieces	196,000,000
Laths	360,000,000
Railway Ties	280,000

Timber Areas Owned and Controlled

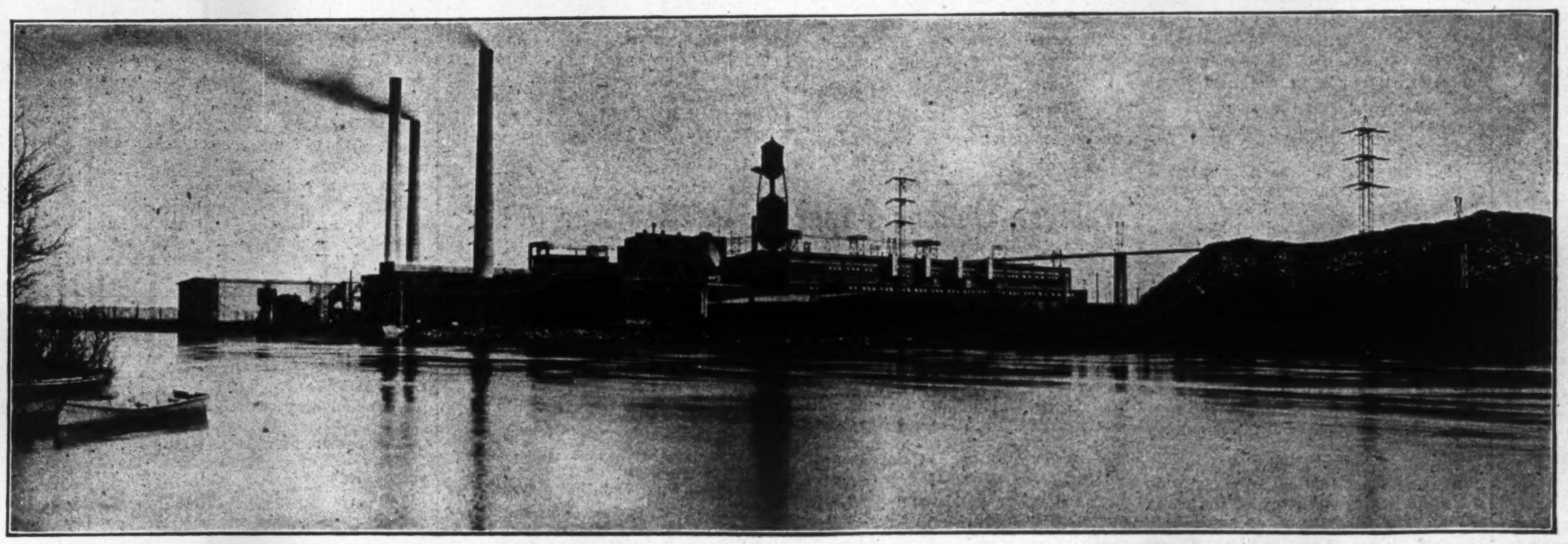
Eastern Quebec and New Brunswick, sq. miles	4,547

Operating and Sales Office: EDMUNDSTON, N.B.

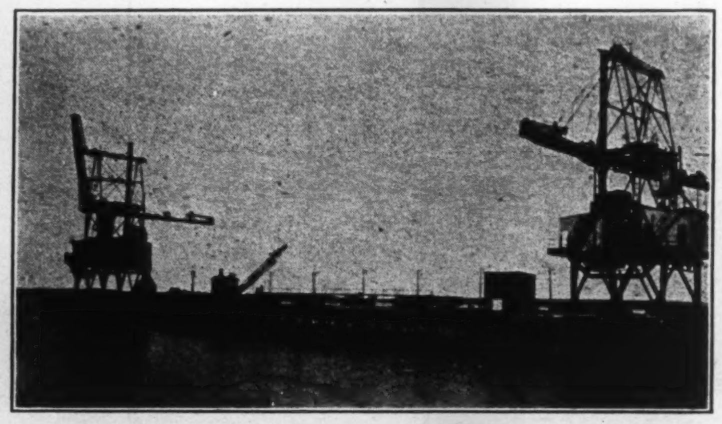


Bleached Sulphite Pulp Mill at Edmundston, N.B.

The Foundation Company of Canada Limited and Associated Companies is one of the largest Engineering and Construction organizations in the world



For the Wayagamack News, Ltd., Three Rivers, Que., we built the 200-ton newsprint mill, shown above.



Pulp-wood loading wharf of The Anticosti Corporation, Ellis Bay, Anticosti Island. In addition to constructing this wharf the Foundation Company also built a new cargo wharf, boom cribs and booms, housing development, and rehabilitated the power plant.

St. Lawrence Paper Mills, Ltd., Three Rivers, Que. For this company we constructed the following: sulphite mill, pulp-wood unloading cribs, and fresh water intake system from the St. Lawrence River.

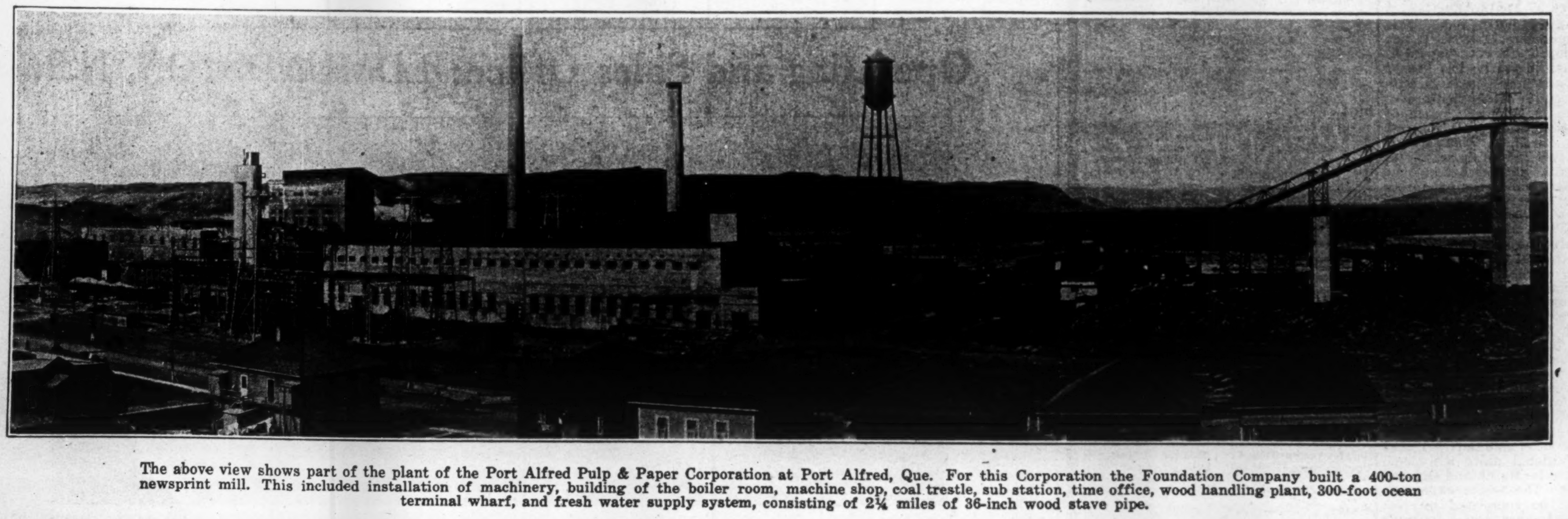
WINNING *the* CONFIDENCE *of the* PULP *and* PAPER INDUSTRY!

CONSTRUCTION work satisfactorily done for such companies as the Port Alfred Pulp and Paper Corporation — the Wayagamack News, Ltd., the St. Lawrence Paper Mills Limited — and The Anticosti Corporation definitely establishes the Foundation Company as an organization well able to meet and cope with the many varied requirements of the industry.

This organization has built newsprint mills and sulphite mills — constructed pulpwood loading wharves, cargo wharves and pulpwood unloading cribs — undertaken housing developments—and generally shown itself to be both versatile and efficient.

THE FOUNDATION COMPANY
OF CANADA
LIMITED

Associated with The Foundation & Construction Company of Ontario Limited



The above view shows part of the plant of the Port Alfred Pulp & Paper Corporation at Port Alfred, Que. For this Corporation the Foundation Company built a 400-ton newsprint mill. This included installation of machinery, building of the boiler room, machine shop, coal trestle, sub station, time office, wood handling plant, 300-foot ocean terminal wharf, and fresh water supply system, consisting of 2¼ miles of 36-inch wood stave pipe.

Paperboard Industry

Is on a Satisfactory Basis and Will Grow with the Increased Industrial Expansion of the Dominion

Since 1921, the manufacture of paperboard, or, as it is usually called, cardboard, has been making steady and satisfactory strides. In 1927, the exports of paperboard have declined a little, but this decline is not significant, and instead of indicating that foreign markets are unsatisfactory, it indicates that the domestic market has been better. In fact, there is no doubt that sales of paperboard in Canada this year will show an increase as compared with 1926, due to the improved business conditions throughout the Dominion.

The paperboard companies, in any event, are not dependent for earnings on exports. Canadian paperboard is not sold in the U.S. market, owing to the high tariff walls, and what is exported moves overseas. As far as the investor in any of the paperboard companies is concerned, it is the state of the domestic market for paperboard which affects the value of his holdings. Canada imports no inconsiderable quantity of paperboard; these imports provide competition for the domestic mills.

That the industry is experiencing satisfactory conditions, is witnessed by the recent decision of the Canadian Paperboard Co., to erect a new plant in Toronto. The long view of the industry's future appears to be bright. The immediate future prospects also seem excellent.

Should Continue Growth

Some indication of what the future may hold for the Canadian paperboard producers may be judged by the fact that the Canadian per capita consumption of paperboard is about half that of the United States. Furthermore, the general trend of merchandising methods appears to be towards an increasing use of paperboard. To-day, public sentiment demands neatly packed goods in sanitary containers, and the position of the industry may be judged from the fact that the combined consumption in Canada and the United States is nearly equal to that of newsprint.

Owing to the nature of paperboard, or rather to the uses to which it is put, the market for the product naturally responds quickly to any betterment in trade conditions. With the Dominion as a whole looking forward to a decade of all-round growth, who can doubt that the future prospects of the paperboard producers is excellent. Elsewhere in this issue are to be found the production and export figures of the industry. These indicate that it is in a healthy position. A large proportion of the raw material used in the industry consists of waste paper.

Ten Manitoba towns were connected up with hydro electric power and light on September 6.

Logging Methods Differ Between East and West

Owing to differences in climatic conditions methods of lumbering differ materially in different parts of Canada. In the east cutting and hauling is limited largely to the fall and winter months. Cutting is commenced in the late summer or early fall and continues until the snow becomes too deep for cutting and skidding. Logs are assembled in skidways and pulpwood in piles, near the point of felling, and are hauled on snow and iced roads with horses or tractors to adjacent drivable streams during the winter. In the Spring the "drive" begins with the breaking up of the ice and the logs are driven down by the rivermen to mills or shipping points on flood water.

In the west operations are carried on in most cases throughout the entire year. There logs are assembled by slides and various cable systems. Logging railways are used extensively to carry the timber direct to the mills or the larger rivers, or to tide water, where it is rafted and towed by tugs to the mills themselves.

Soviet Buys B. C. Horses

Negotiations are proceeding through the Canadian government for the sale of about a thousand more British Columbia horses to the Soviet government. The animals will be rounded up in the interior and routed via Montreal.

Industry Adds $175,000,000 to Favorable Trade Balance

Exports of pulpwood, 1926	$ 14,067,030
Exports of pulp	52,077,122
Exports of paper	121,414,513
Total exports	$187,558,665
Imports of pulpwood, 1926	None
Imports of pulp	$ 1,208,188
Imports of paper	10,977,946
Total imports	$12,186,134
Total favorable balance of trade resulting from pulp and paper industry	$175,372,531

A battery of ENGLISH ELECTRIC motors (controlled by type RW starters) driving pulp screens.

Year after year, ENGLISH ELECTRIC Apparatus continues to serve faithfully all branches of Canada's foremost industries

Electrical Apparatus of Quality

ENGLISH ELECTRIC
COMPANY OF CANADA LIMITED
CONTROLLING
THE CANADIAN CROCKER-WHEELER CO. LIMITED
MAIN OFFICE AND WORKS: ST. CATHARINES, ONT.

GENERAL SALES OFFICES:
NORTHERN ONTARIO BUILDING
TORONTO, ONT.

EE CCW

DISTRICT OFFICES:
TORONTO, MONTREAL, VANCOUVER
SYDNEY, N.S., ST. CATHARINES

The Pulp and Paper Industry and The Canadian Investor

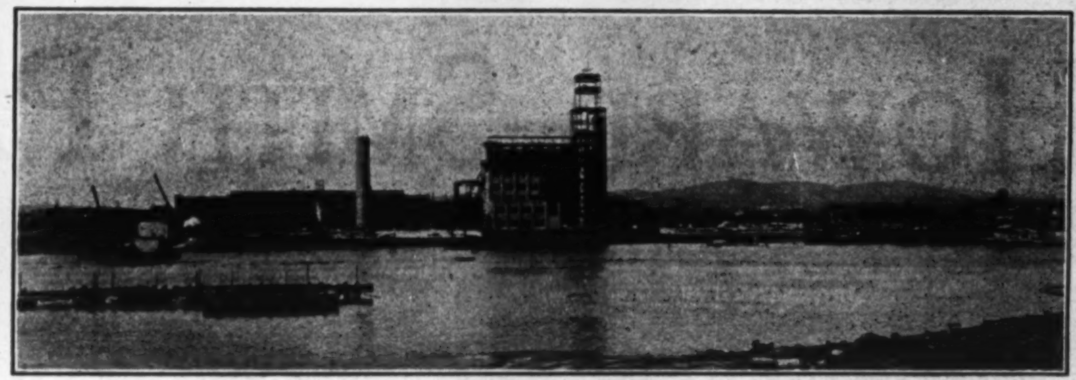
No Canadian industry is more basic in character—or more important to the economic life of Canada—than is the production of pulp and paper.

The senior securities of well established pulp and paper manufacturing companies, therefore, enjoy the confidence of an increasing number of conservative investors.

Information regarding securities of leading newsprint companies will be gladly furnished upon request.

36 King Street West,
Toronto.
Telephone: Elgin 4321.

Wood, Gundy & Company
Limited



Anglo-Canadian Mills from the South Shore of the St. Charles River.

ANGLO - CANADIAN
Pulp and Paper Mills Limited

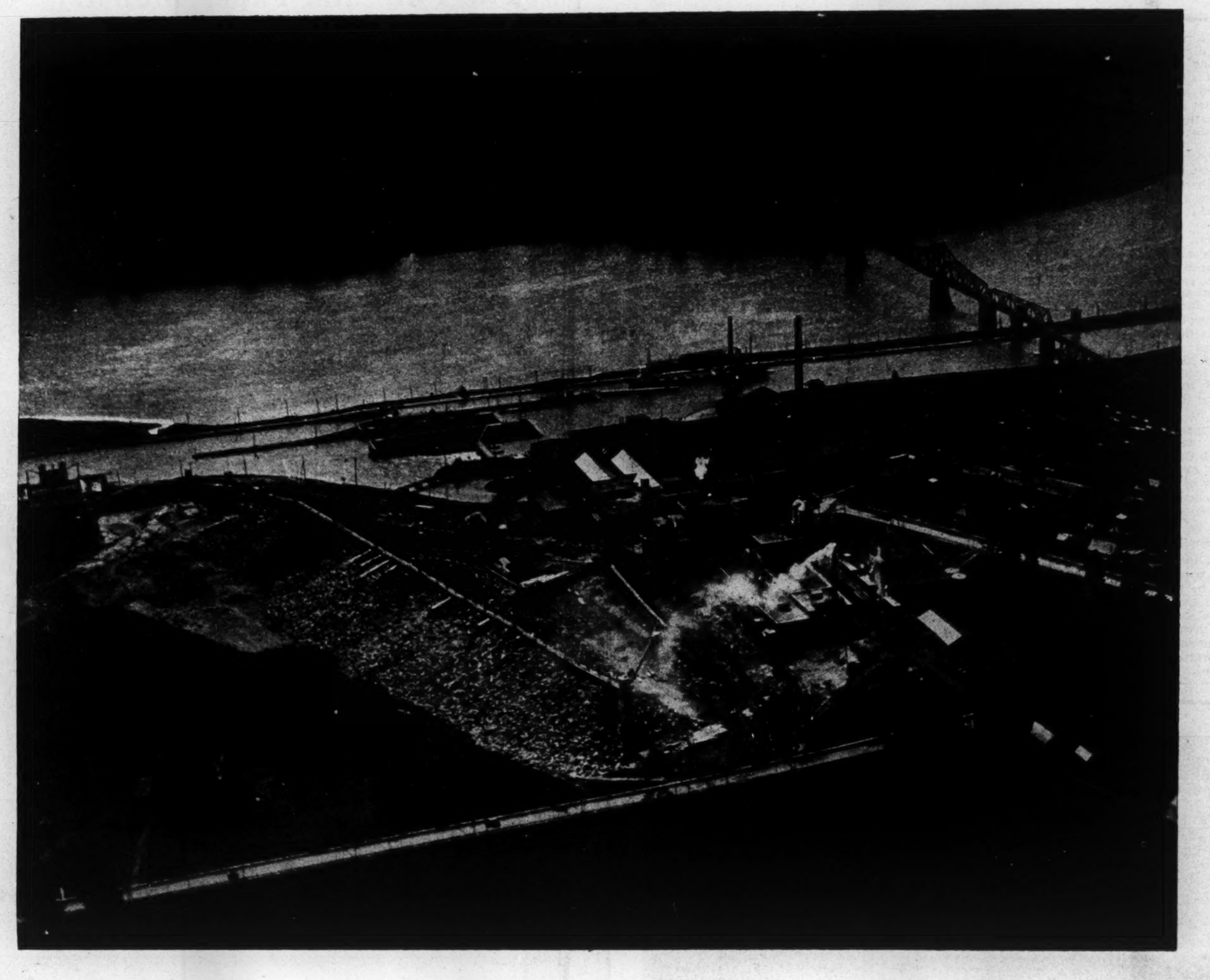
QUEBEC, QUE.

Manufacturers of
Newsprint Paper

Four large paper machines are being installed, fully equipped and of special design to make newsprint of highest grade quality.

Two Machines in operation before the end of 1927

Mills at Limoilou, Que.



Cornwall Division

HOWARD SMITH PAPER MILLS LIMITED

THE Cornwall Division of the Howard Smith Paper Mills Limited is now producing 70 tons of Sulphite Pulp daily, and, with the completed installation of equipment which is the last word in scientific design, can manufacture 55 tons of the highest grade soda pulp — by far the largest capacity in Canada.

Thus this Company is enabled to produce each day 60 tons of Sulphite Bonds, Book and Specialty Papers, as well as the only Canadian-made Blotting Papers and high grade Bristol Boards. Not only are these papers meeting with general approval in Canada — to the farthest corners of the world they are carrying the prestige of the Province of Ontario and of the Dominion.

MADE IN CANADA

ROLLAND PAPER CO. OPERATES 85 YEARS

Was First Plant to Make Highest Grades of Paper

The first mill in Canada to make high-grade bond and writing papers was built in 1882 at St. Jerome, P.Q., by the Rolland Paper Company.

The site was well chosen on the North river, where excellent water-power was developed and an abundant supply of pure, clear water was assured.

The mill was equipped to produce a loft-dried and tub-sized paper of the highest order, and immediately specialized in an all-rag paper, which was watermarked Superfine Linen Record.

In 1885, this paper captured the Gold Medal at Antwerp; in 1893, the Highest Award at Chicago; and in 1900, the Grand Prix, Paris.

Acquires Other Mills

In 1912, the Northern Mills Company at Mont Rolland, P.Q., was taken over by the Rolland Paper Company, which enabled the company to increase its production and make a complete line of bond, writing and ledger papers.

The Rolland name has been associated with the paper business in Canada for 85 years. In 1842 the firm commenced business in a modest way at a small house in Montreal, as wholesale and retail stationers. S. J. B. Rolland, the son of the founder of the company, is president and the grandsons of J. B. Rolland, the founder, now occupy executive positions in the organization. Three generations of the Rolland family have shared in the active direction of the company's operations. Incidentally, several instances of three, and many of two generations are to-day found working side by side in the company's mills.

Specialized in Highest Grades

From the first, the Rolland Paper Company has specialized in all-rag paper. The St. Jerome mill began with one machine in 1882. The second machine was put into operation four years later. Since their inception the mills have enjoyed an almost unbroken record of prosperity.

The second mill at Mont Rolland was built and one machine installed in 1902. It was erected by the Rolland interests, but until 1912, when the second machine was added, it operated under its own name, the Northern Mills Company.

The Rolland Paper Company is unique in the Canadian industry, for it is the only pulp and paper company of any magnitude in which there is no public investment interest. The company is still owned and controlled by the descendents of the first paper manufacturer in the Dominion.

U.S. Industry Has Turned Northward

It is really only within the past five years that the United States pulp and paper companies have turned their attention to Canada and Newfoundland from the manufacturing angle. Hitherto, the Dominion had been relied on for a goodly percentage of the wood used in the mills, but there was no indication that Canada would rival the republic to the south as a pulp and paper producing country.

During the past five years, the consumption of pulpwood in the United States has assumed staggering proportions, which has been due to the phenomenal increase in the demand for paper. The apparently inexhaustible supply of spruce in most of the states has been sadly depleted, and the result has been an increase in imports of the wood from Canada. United States pulp and paper companies acquired important woodlands through the Dominion, particularly in Quebec, Ontario, New Brunswick, and Nova Scotia.

During the past few years, the woodlands of the Dominion have been the meccas for United States pulp wood dealers, and for buyers representing the manufacturing firms directly. Years ago, the farmer cut some pulpwood as a side line, and was willing to sell it at anything worth while. He had to take whatever was offered him by a village merchant who handled pulpwood as a side line, with the farmer being compelled to accept trade in the merchant's general store as part payment.

Now, there are dozens of buyers flitting from settlement to settlement, buying all the wood available. In some instances, an agreement is made to accept the wood when it is piled by the roadside; in other cases, the farmer delivers at a railroad siding. The ease with which he can dispose of his wood at attractive prices has resulted in the average farmer devoting far more attention to pulpwood cutting and peeling than he ever did before. And the deluge of wood has continued toward the south of the international boundary, with steamers, schooners, and the railroads used freely as carriers.

The specter of ultimate deforestation has presented itself, with a strengthening of the demand for some of restriction on the movement of pulpwood across the border. All of the provincial governments are grappling with the problem. On one hand is the desire for a ban by pulp and paper manufacturers. On the other hand is opposition to an embargo by settlers who have been profiting by the increased demand for the wood, and the keen competition among the buyers.

DEPLETION DUE TO FIRE

It has been estimated that since the advent of the white man Canadian forests have been reduced by 73 per cent. Of this 13 per cent. represents timber which has been cut and 60 per cent. that which has been destroyed by fire.

Newsprint Outlook is Bright

Canada is definitely a world leader in the production of newsprint. This achievement is the result of logical and normal growth to feet the insatiable needs of the printing presses of the North American continent.

An examination of the fundamental factors underlying the phenomenal growth of this great industry reveals the soundness of its structure. The main factor behind this growth, of course, is the development of the daily newspaper circulations, which continue to grow apace, as with increased transportation facilities they reach out to ever wider areas, bringing the day's news, while it is still news, to the hinterlands. Spreading out like huge blankets over hundreds of miles of countryside, they bring within their fold new scores of readers, and it is this blanketing process which accounts so largely for the growing per capita consumption of newsprint. Where ten years ago millions of people in the country had to be content with a small 6 or 8 pege paper once a week, they now have each day the 28 and 30 page metropolitan daily. Another development of the last couple of years has been the sensational rise of the daily tabloid picture paper. One of this new type of daily has already passed the million mark in circulation and there are over a score or more with circulations in the hundred thousands.

These are the conditions that make the future market for Canadian newsprint bright, despite the present hesitancy in the demand.

Great as undoubtedly the newsprint industry in Canada has already become, its future development should be greater still. The raw materials upon which it lives are among the richest owned by any nation, and Canadians are proud to assist in the control and expansion of an industry based so firmly upon our natural resources.

News Earnings Show Variety

Annual Net Profits Per Ton of Daily Capacity Figured Out

The earnings of the different newsprint mills vary very largely. Comparisons between the various producers on a tonnage and earning basis are almost impossible as most of the mills derive a not insubstantial proportion of their incomes from sources other than newsprint production. Laurentide has its investment earnings. So has Spanish River. Price Brothers has its lumber production and other companies have various sources of income which include the production and sale of surplus pulp.

In this way any real statistical comparison between the various producers is impossible and any comparisons which may be made cannot take into consideration all the factors affecting the individual companies. Then again some companies have bonds outstanding while others have only stock. It is possible though to make some comparison between net earnings applicable to bond interest, depreciation and all other charges.

The table which follows shows annual net earnings per ton of daily newsprint capacity on the foregoing basis of some of the leading companies. In comparing the figures and the companies, all the other factors which enter into a comparison of these organizations must also be taken into consideration. The figures follow:

Abitibi	$7.735
Donnacona	4.142
Laurentide	5.921
Price Bros.	5.933
St. Lawrence	6.060
Spanish River	4.391

Crown Williamette

Capitalization—

	Authorized	Outstanding
Com.	1,000,000 shs.	1,000,000 shs.
1st Pref. 7%	200,000 shs.	200,000 shs.
2nd Pref. 6%	41,000 shs.	41,000 shs.
(No par value)		

Funded Debt—

First mortgage 6% s. k. gold bonds, due 1951, $19,800,000.

Dividend Record—

First preferred payable quarterly, Jan., Apr., July and Oct. 1; initial quarterly dividend paid Apr. 1, 1926.

Officers and Directors—

L. Bloch, pres.; A. J. Lewthwaite, A. B. Martin, F. G. Wright, F. Schwabacher and G. P. Berkey, vice-presidents; D. J. Goldsmith, sec. and asst. treas.; C. M. Whitney, asst. sec.; C. R. Blyth, H. Fleishacker, M. Fleishacker, C. K. McIntosh, C. A. Morden, H. C. Olcott, E. S. Pillsbury, J. H. Schwabacher, G. S. Towne.

PACIFIC MILLS

(Controlled by Crown-Willamette Paper Co.)

Capitalization—

	Authorized	Outstanding
Common	$7,500,000	$7,500,000
Pref. 6%	2,000,000	1,327,300
(Par $100.)		

The Crown-Willamette Paper Co. owns $6,912,787 of the common stock and $885,710 of the preferred stock.

Funded Debt—

First gold 6% bonds, $2,891,500; due annually as follows: $150,000 each, Feb. 1, 1927 to 1930, inclusive; $200,000 each, Feb. 1, 1931 to 1937, inclusive, and $500,000 each, Feb. 1, 1938 to 1943, inclusive.

Second mortgage bonds, dated Aug. 2, 1915, $1,913,500. Authorized and issued $3,000,000, of which $891,500 exchanged for first mortgage bonds described above, and $195,000 matured and paid off to Dec. 31, 1926.

Officers and Directors—

L. Bloch(chairman of board; A. B. Martin, pres.; A. J. Lewthwaite, vice-pres.; J. H. Lawson, sec.; C. L. Barker, treas.; G. V. Holt, N. F. O.'Brien, D. G. Stenstrom, W. J. B. Wilson, W. E. Wintemute.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Gross Earnings	2,308,915	2,379,825	2,381,365	2,308,970	1,851,564	2,599,997
Less: Interest	398,813	491,706	537,411	565,277	616,513	655,076
Depreciation	805,834	849,291	828,931	731,990	733,718	726,944
Depletion	56,853	19,854	25,844	26,215	25,010	56,787
Taxes	216,004	199,457	248,533	255,201	165,398	306,131
	1,477,504	1,560,308	1,640,719	1,578,683	1,540,639	1,744,888
Net Earnings	826,411	819,516	740,646	730,287	310,925	855,110

The Drama of the Forest

The rise of the newsprint industry in Canada has been one of the outstanding features in the drama of development in the natural resources of the country.

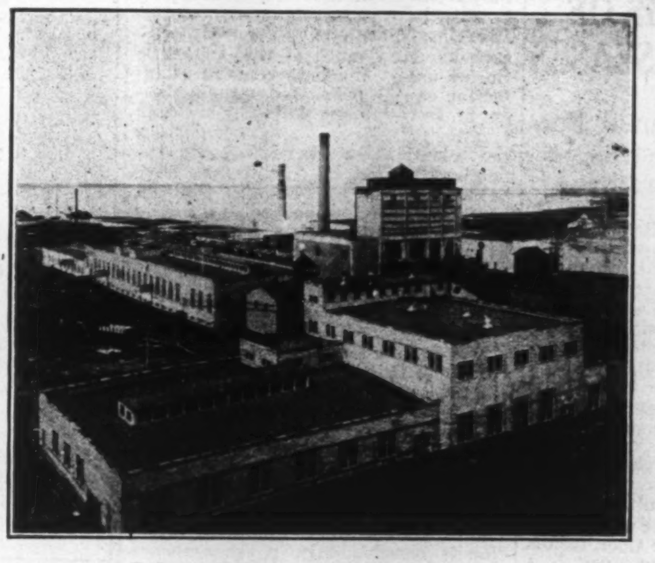
The spruce cut today on one of our Northern limits in a few weeks may run through a newspaper press in New Orleans, hundreds of miles from the spot where the lumber jack with his ax, his saw and his tractor, harvested the crop.

Water power development has gone hand in hand with the development of the paper industry. The growth of both industries has multiplied employment many fold.

Investment in such undertakings has a twofold advantage; it is safe and profitable to the individual and aids in the upbuilding of the country.

NESBITT, THOMSON
and Company, Limited
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton
London, Ont. Winnipeg

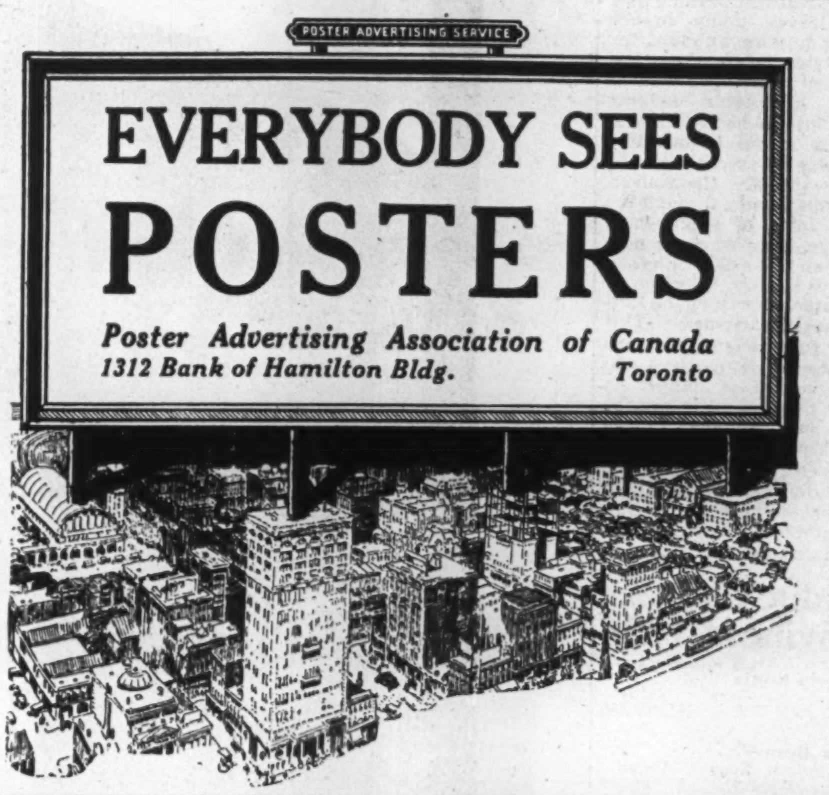
477

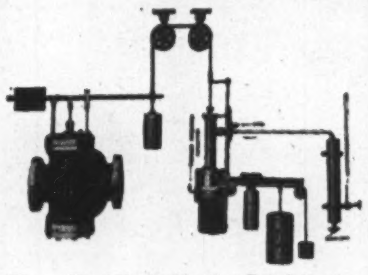


Pulp and Newsprint Mill at Bathurst.

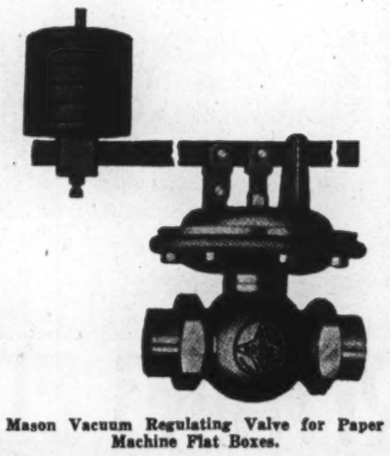
NEWSPRINT PAPER
KRAFT PAPER
UNBLEACHED SULPHITE

Bathurst Company Limited
BATHURST, N. B.


POSTER ADVERTISING SERVICE
EVERYBODY SEES
POSTERS
Poster Advertising Association of Canada
1312 Bank of Hamilton Bldg. Toronto



Mason No. 131 Combination Regulator for digester service.



Mason Vacuum Regulating Valve for Paper Machine Flat Boxes.

Mason Regulators

Reducing Valves for Steam, Water and Air
Water Pressure Regulators for Pocket Grinders
Vacuum Regulators for Machine Flat Boxes
Pressure Regulators for Turbines
Boiler Feed-line Excess Pressure Regulators
Pump Discharge Pressure Regulators
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Excess Pressure Passover Valves

"There is no Substitute for the Best"

Mason Regulator Company
of Canada Limited
314 Notre Dame St. W.,
Montreal

Toronto Agent: P. E. Cleal, 9 Wellington St. E.

INDUSTRY WORKS ON PROBLEMS OF TREE DISEASES

Diseases Take Annual Forest Toll Almost as Great as Fire

The need of protecting Canada's forests is now becoming known throughout the country, especially in the direction of protection against fire. Fire is not the only enemy of our forests, however. There is another enemy, probably quite as destructive but not as spectacular. Fungous diseases take an enormous toll of our timber and timber products each year, and the Forestry Branch of the Department of the Interior is actively engaged in solving the problems which these destructive agencies present.

To the majority of men the growth of punks, conchs or toadstools upon tree, lumber pile, or cellar floor, means little. Their presence, however, is a matter of vital concern to the lumber industry, for it proclaims the maturity of plants which have nourished themselves upon food substance supplied by the wood upon which they appear. They are the symptoms of a most advanced stage of timber disease.

Due to Fungous Action

The development of this disease is due to fungous action. Fungi are plants and those with which we are here concerned derive their nourishment from woody tissues. The fungous body consists simply of innumerable branching threads of microscopic size, which ramify through the wood, and absorb and assimilate the foods there found. To permit growth, moisture and air must be present and a moderately high temperature is generally necessary although some growth may occur at low temperature. Having penetrated the wood in all directions the fungous plant is in time sufficiently well nourished to produce its fruits. These are the punks or toadstools, mentioned above, which appear on the wood surface. They indicate a widespread disintegration of the wood upon which they appear, whether it be a forest tree or a roof timber. Then, fulfilling their purpose, these fruit bodies spread abroad a fine, dust-like cloud of spores and disseminate the fungus Such a cloud may often be noted in moderately still forest air being gently wafted from the under surface of large woody conchs. Each particle, microscopic in size though it be, carries in it the possibility of further timber infection, for, given favorable conditions for germination, it may in its turn spread destruction through valuable material.

Affect Sound Trees

If it be asked how these microscopic spores effect an entrance to forest trees, protected as they are by their heavy covering of bark, the answer is not far to seek. Natural pruning as a tree matures leaves many broken stubs, breaks by passing animals, the fall of neighbouring trees—these and other agents leave many open wounds which furnish acceptable lodging points for these minute bodies. Spores are not the only means of infection possessed by these destructive plants. The branching threads themselves, may in some forms ramify through the soil and infect roots of neighboring trees. Or the crossing of roots may cause abrasion and, if one is already diseased, may lead to the infection of the other by simple growth of the fungus into the healthy tissues. This passage of the fungus from diseased to healthy material is perhaps the most frequent source of danger in stored lumber. Cases in point are the decking of logs on infected skids and the careless disposition of infected debris in the vicinity of lumber piles.

From the above will be seen the nature of the problems which confront the timber pathologist. Take the case of one timber, jack pine. Jack pine is excellently adapted for railway tie purposes but it is very susceptible to attack by the ring scale fungus. Therefore, questions immediately arise such as: How much of this timber is fit for use? What percentage of infection can be permitted without danger? Is the fungus killed by creosote treatment? And to go back further the question comes: How could the original spread of the disease have been prevented? In building timbers, aeroplane wood, mine timbers and in every other of the myriad situations in which wood is used, similar questions arise, for in all places where strength and permanence are required fungous growth must be excluded.

Few of the enemies of timber have as yet been studied in such detail that their specific reactions under different conditions can be answered with assurance. From the general habit of growth, detailed above, however, certain rules may be deduced. Fungi require food, air, moisture and a certain amount of heat. Poison the food supply, exclude air or dry the wood and fungous action is inhibited. Infection is possible only in the presence of spores or of contaminated material. Remove all debris, which may harbour disease, and the danger of infection is lessened.

An estimate of the annual loss of forest trees and structural timbers cannot be made as yet, but from the information available it is known to be of very serious proportions; and these problems are among the most important upon which the Forest Products Laboratories of the Forest Service are now working.

Pulp Production by Provinces, 1926

Nova Scotia

	Tons	Value
Groundwood ...	47,608	$1,269,459

New Brunswick

	Tons	Value
Groundwood ...	27,225	$ 701,525
Bleached sulphite	66,366	4,609,931
Unbl. sulphite ...	35,937	1,846,219
Sulphate or kraft	20,979	1,226,432
Screenings	3,162	40,220
Total	153,669	$8,424,737

Quebec

	Tons	Value
Groundwood ...	1,005,430	$24,820,847
Bleached sulphite	69,994	6,179,410
Unbl. sulphite ...	358,869	16,386,772
Sulphate or kraft and soda	204,399	11,405,755
Screenings	33,647	425,792
Total	1,672,339	$59,218,576

Ontario

	Tons	Value
Groundwood ...	685,141	$15,705,611
Bleached sulphite	94,107	7,086,852
Unbl. sulphite ...	264,439	13,849,727
Sulphate or kraft	15,497	807,447
Other fibre	35	1,225
Screenings	36,768	557,890
Total	1,095,987	$38,008.752

British Columbia

	Tons	Value
Groundwood ...	135,864	$2,302,815
Bleached sulphite	26,401	1,768,867
Unbl. sulphite ...	78,990	3,324,214
Sulphate or kraft	15,200	728,801
Screenings	3,733	108,388
Total	260,188	$8,233,085

ALL CANADA

	Tons	Value
Groundwood ...	1,901,268	$44,800,257
Bleached sulphite	256,868	19,645,060
Unbl. sulphite ...	738,235	35,406,932
Sulphate or kraft and soda	256,075	14,168,435
Other fibre	35	1,225
Screenings	77,310	1,132,290
Total	3,229,791	$115,154,199

COMPLETE METERING EQUIPMENT

BAILEY METERS

BAILEY METER CO. LTD.
84 ST. ANTOINE STREET
MONTREAL. — QUEBEC.

Meters for Steam, Water,
Air, Gas; Boiler Meters
Draft Gauges; Tachometers, etc.

Detroit United Railway is in Worse Position

From Our Own Correspondent

MONTREAL.—The situation surrounding the Detroit United Railways, which has long been in the hands of the receiver, appears to be going steadily from bad to worse. A Detroit despatch states that unless a portion of the tax bill in arrears amounting to $855,000 against the Detroit United Railways is paid to the State of Michigan before November 24, four of the company's lines, against which the taxes are assessed, will be sold by auction. The properties which would be sold in lieu of taxes include the Detroit, Munroe and Toledo short line, the Detroit, Almont and Northern, the Highland Park and Royal Oak Railway and the Rapid Railroad.

STAUNCH
as the Paper Industry
it faithfully serves—

W

CANADIAN WESTINGHOUSE

EVERYTHING ELECTRICAL FOR INDUSTRY

Sulphate & Kraft Industry

Position of Industry Undergoes Betterment—Kraft Markets Widen—Records Give Confidence in Future

During the current year, the sulphate pulp and kraft paper producers are doing a better business than in 1926. Export markets for kraft paper are not particularly satisfactory but export markets for sulphate pulp are absorbing as much as in 1926.

The companies, such as Wayagamack which produce sulphate pulp, naturally also use a proportion of their pulp output for further manufacture into Kraft paper. Kraft paper is, because of its strength, used very largely for wrapping purposes and, also due to its strength, has been finding wider and wider markets. Today it is being used for bags for holding cement and other similar materials. The uses of kraft are varied and are growing wider almost daily.

General business conditions have been such in 1927 that the domestic demand for wrapping paper has increased. Hence, the kraft mills are all experiencing better business.

Southern Mills Compete

In the United States, more and more sulphate pulp is being produced by mills located in the Southern States where a more or less rapid growing type of wood has been found suitable for this kind of pulp. In this way, Canadian manufacturers have had to meet keener competition in U.S. markets, but as sulphate pulp from Canadian fir trees is of a grade superior to that made in the Southern States, the Canadian product will always be successful in finding a market.

Up to 1912, the annual production of kraft paper in Canada amounted to only 5,000 tons. In that year, though, the Wayagamack pulp and paper mill commenced production. The growth of the industry since that date gives an indication perhaps of what may be anticipated in the future. Then again, a little over ten years ago, the yearly consumption of kraft in this country amounted only to 8,000 tons while today the tonnage produced amounts to well over 90,000 tons. About half of this tonnage is absorbed by the domestic market.

Manufacturers Sell Abroad

As the domestic market for kraft paper is limited, naturally the manufacturers have turned overseas to find larger markets. That they have been successful is evidenced by the large export business of the Wayagamack Pulp and Paper Mills. Practically all the Canadian exports of sulphate pulp go to the United States, but some tonnage is exported overseas. However, the chief market for the Canadian sulphate pulp production is and will remain in the United States.

There appears to be a steady broadening in the domestic market for kraft wrapping paper and while in the sulphate pulp market there is keen competition, yet the mills are making some earnings from their production. On the whole, the outlook for the sulphate pulp and kraft paper producers seems satisfactory. The past record of the industry gives added confidence in its future.

New Vancouver Firm

In order to concentrate on the mining and stock brokerage business, a new company is being incorporated under the name of Lennard, Poisson & Waghorn, to take over and in future handle this end of the business formerly conducted by Waghorn, Gwynn & Co.

The new company will be under the presidency of Sir Henry Lennard, Bart., and will continue under the management of C. R. Poisson, late of Waghorn, Gwynn & Co. The other directors will be Col. H. S. Tobin, D.S.O., of Pattullo & Tobin, and S. H. F. Lennard, late of Waghorn, Gwynn & Co.

Waghorn, Gwynn & Co., will continue in their bond, insurance, real estate, loans and mortgages, rentals and cash grain business.

PAPER MAKING MACHINERY

Modern High Speed Newsprint Machines Embodying the Following Special Features

- Van de Carr Slices
- Oscillating Suction Boxes
- Beloit Type Removable Fourdrinier
- Suction Couch Rolls (Millspaugh Type)
- First and Second Suction Press Rolls (Millspaugh Type)
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Built in Capacities ranging from 100 K.W. to 42,000 K.W. at Voltages from 550 to 13,200

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WIRE
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Continuous Wood Grinders

Conserve Power & Labour

Typical Performance

Eight Grinders operating 24 hours on September 13, 1927, produced 152.8 tons of groundwood pulp, consuming only 999 Kilowatt hours per ton.

This pulp was used directly on newsprint machines operating at 900 feet per minute.

Continuous Wood Grinder Co.
Limited
Drummond Building
Montreal

Insurance for Buyer and Seller

AGENTS' PROSPERITY DEPENDS ON LOW RATIO OF LAPSES

Six Per Cent. Lapse Ratio Should be High Limit

By N. M. DeNEZZO of the Aetna Life Insurance Company.

An address delivered at the fourth annual conference of general agents of the company.

Conservation is second in importance in the life insurance business only because it must necessarily follow the creation of business.

On first year business, the general agents do not make money. If no effort is made to conserve the business after the first year, the income of the general agent is, of course, materially affected. General agent prosperity depends upon a low lapse ratio.

Many general agents do not side with home office on matters involving the rewriting of old business, and very few seem to practice it on their own personal policyholders. We occasionally find cases where an applicant has had six or eight different policies within a period of as many years. Such cases illustrate two points: first, that the applicant is not a good risk in that he is not persistent; secondly, that he has not received good service or his lapses would not have been so frequent. A considerable proportion of the terminations are the result of substitution of new for old insurance.

Co-Operation Between Companies

In our application, we ask, "Is the insurance applied for, intended to take the place of insurance carried with any other company?" Whenever this question is answered in the affirmative the issuance of the policy is delayed until we communicate with the company involved, thus giving that company time to get in touch with its policyholder in an attempt to conserve the business. Our purpose in so doing is to discourage any attempts at twisting.

The "not taken" policies constitute another waste of life insurance. This is even more stupendous than first year lapses. The cost of writing the policy is as high as that of lapsed policies. This expense, however, is not offset by cash payment of the initial premium. Of course, the "not taken" evil will never be entirely eliminated, but it can be minimized by agents making it a practice to sell on a cash basis.

To carry out a successful conservation programme, two important aspects must be given serious consideration. First of these is "prevention of lapses" and second, "securing reinstatements."

Collection of Premium Not All

Too many of our agents labor under the false impression that they have fully discharged their duty when they deliver the policy and collect the first premium. This is indeed a fallacy because the service of life insurance is just then beginning. The aggressive high-pressure agent is often likely to forget this fact in his zeal for new business. Agents should be impressed with the fact that renewal commissions are paid to them for servicing old business; that it is their obligation to look after old business to see that it is renewed and reinstated when lapses unavoidably occur. It is a mistaken idea that an agent is entitled to a commission for every service rendered a policy holder.

The ideal situation in each agency is to have every policyholder assigned to some agent for care and attention. Just as a patient consults his chosen physician concerning his health, so our agents should educate their clients to consult them on any and all matters pertaining to their insurance needs and obligations.

Six Per Cent. Lapses Enough

The individual lapse ratio should not exceed six per cent. Every effort should be put forth to reduce the first year lapse ratio to ten per cent. or less, the second year five per cent. or less and after that to three per cent. or less. The lapse ratio on the first two years' business should be materially reduced since most of the lapses occur during this time. If the business remains sold for the first two years the critical period is past and it is reasonably sure that it will continue on the books.

Laurentide Tree Planting

C. H. Chahoon, Jr., president of the Laurentide Paper Co., Ltd., announced at the annual meeting of the company that the company had planted some 3,000,000 trees, in accordance with its reforestation policy, adjacent to the mill; and he expressed the opinion that this tract of new forest would in time be Laurentide's prize asset. The industry as a whole, he said, is in a stronger position than during the past few years.

Leaders in Insurance Sales

On the left is G. L. FISCHER, of Forest, Ont., the newly appointed president of the Eastern division of the North American Life $100,000 Club. On the right is C. J. KELLER, of Vancouver, B.C., the president of the Western division of the same organization.

Leave Jurisdiction Problem to Conference of Prime Ministers

The onus of responsibility in the matter of insurance jurisdiction, has been thrown on the annual conference of provincial Prime Ministers and Attorney-General, which meets at Ottawa at the beginning of November. That, in effect, is the substance of a report which has been made public this week, and which was prepared during August by A. E. Fisher, Superintendent of Insurance in the Province of Saskatchewan.

The report deals with the matter of insurance jurisdiction, as between the provincial and Dominion governments, and expresses the opinion that provincial superintendents should refrain from taking any action until the question is re-considered by the inter-provincial conference in November.

In the meantime, the fact that the Quebec and Ontario governments have taken the bull by the horns, with regard to the licensing of foreign mutual fire insurance companies, makes doubly sure the assurance that this exceedingly controversial subject will be one of the most important that will be tackled at the November conference.

Superintendent Fisher says, in part:

"It will be recalled that at the Toronto Conference of 1925 the question of statutory conditions for accident and sickness insurance contracts was discussed, in order that the companies could comply with the requirements of the Superintendent of Insurance at Ottawa that the provincial conditions on such contracts must be varied to comply with the Dominion enactment as found in section 134 of the Insurance Act of 1917.

It was decided at that conference to let matters stand as they were, and that any action on the part of the provinces at that time would be inadvisable, owing to the fact that the Province of Ontario was submitting to the Supreme Court of Ontario under the Ontario Constitutional Questions Act, a reference as to the validity of the Ontario enactment regarding accident and sickness conditions, and likewise the validity of the Dominion enactment.

Stand of Provincial Conference

"At the inter-provincial conference of prime ministers and attorneys-general of all the provinces of Canada, held in Ottawa on June 7th and 8th, 1926, the following resolution was passed:

"Whereas the conflict of jurisdiction as between the Dominion and the Provinces in matters of insurance legislation and regulation cannot be terminated so long as the Dominion declines to recognize the binding character of Privy Council decisions and to co-operate in securing a mutual delimination of jurisdiction;

"And whereas the licensing and other sections of the Insurance Act, 1917, (Dominion) were held ultra vires by a judgment of the Appellate Division of the Supreme Court of Ontario delivered the 19th February, 1926, in respect of which the Dominion has not entered notice of appeal;

"Now therefore, this conference is of the opinion that the Dominion should repeal its legislation regulating contracts of insurance and the business of insurance as ultra vires the legislative competence of the Parliament of Canada, or, in the alternative, take immediate steps to appeal the decision of the Ontario Courts to the Judicial Committee of the Privy Council."

Government Has Not Acted Yet

"During the past session of the House of Commons, a question was asked the government by a private member, as to what the government intended to do with regard to this particular resolution. The reply was, that the attention of the government had not yet been brought to this resolution.

Your committee is, therefore, of the opinion that this question should be tabled until our next conference, pending the consideration of the inter-provincial conference resolution at the November meeting referred to above.

VANCOUVER FAVORS COMPULSORY POLICY

Automobile Club of British Columbia Will Oppose Suggestion, It Says

A resolution favoring the introduction of compulsory automobile insurance will be introduced by the City of Vancouver at the forthcoming meeting of the Union of B. C. Municipalities. This will be countered by strong objections on the part of the Automobile Club of British Columbia, according to an announcement by the officials of that organization. The club has had the subject of compulsory insurance under discussion for several months and has finally decided to shelve the question due to a lack of adequate data with which to form a decision. In other words they do not consider that there is any experience on this continent to justify the placing of a compulsory measure of this sort on the statute books of the province.

In the course of its investigations the committee has collected some interesting information regarding the compulsory insurance movement in the United States. It finds that compulsory insurance for public liability in Massachusetts is costing each motorist of that state from twenty-five to forty-five dollars a year additional to other motor vehicle taxes, and so far has resulted not in a decrease in accidents, as was originally expected, but in a decided increase.

According to the Automobile Club, the general course in all sections of the continent has been to avoid rushing headlong into the statute books with extremely costly measures that have not been fully tried out; practically all states have shown a willingness to profit by the experience of others by watching carefully the workings of the Massachusetts law. Oregon, which appointed a special committee to investigate the subject and report back in two years, is given credit for taking the wisest course.

Trans-Canada Insurance Company Seeks License

A new insurance company is about to make its appearance in Montreal, according to an application for incorporation which was made public last week. The company will be called the Trans-Canada Insurance Company, and the head office will be in Montreal. The amount of capital stock in the company is $1,000,000, divided into 10,000 shares of $100 each. The company will be licensed to carry on the following kinds of insurance:

Fire, inland marine, accident, life, life and sickness, guarantee and suretyship, industrial, livestock, bond, insurance on vehicles, marine, insurance against any loss or damage to property by accidental causes including explosions, larceny, housebreaking or burglary, bicycle, vehicle, steam boiler, plate glass, automobile, aviation, tornado, sprinkler leakage, inland transportation, hail, insurance against damage to property of any kind caused by the explosion of natural or other gas, insurance against damage to the property or persons caused by the breakdown of any electrical machinery and any other kind of insurance permitted by the laws of the province.

Life assurance sales in Manitoba for July showed a greater increase than in any other Canadian province.

GIVES INSURANCE ON EXTRA RISKS

New Policy of Toronto Casualty Supplies Missing Link in Protection

A splendid reception has been accorded a new "Fire and Extra Risks" policy which was placed on the market a few weeks ago, by the Toronto Casualty Fire & Marine Insurance Co. The policy is intended to give an all-risks protection on a building or dwelling and differs materially from the usual "blanket residence" policy which covers liability of all description. Although this policy covers fire and any other accident that may occur to a building or its contents, the cost of protection amounts to only 10 per cent. more than the regular tariff fire rate. According to officials of the company the new policy is responsible for much new business being written in all parts of the country. The policy is responsible for much new business being written in all parts of the country. The policy is the first of its kind to be offered to the insuring public in Canada.

Briefly, the purpose of the policy is to give an all-risk protection on buildings, although it may be extended so as to afford coverage for the contents. In this latter event, the coverage on contents is restricted to loss by fire, tornado, earthquake, explosion, flood, hail, collision, bursting of plumbing and heating systems, malicious damage, riot and collapse of building.

The particular clause in the policy which affords this general protection, in addition to the usual fire risk, is as follows:

"Does insure . . . . against all direct loss or damage by fire, accident, or other occurrences, and beyond the control of the assured."

Meeting Today's Needs

In commenting upon this new form of protection, the company says the following:

"For something like three hundred years fire insurance has been sold. The coverage of the policy you hand to your assured to-day is almost identical with that which your counterpart, habited in knee-breeches, a long coat and a three-cornered hat, sold to his client when the Great Fire of London first impressed upon the public the need for protection.

"The insurance needs of to-day are not, however, those of 1666; time has wrought many changes; the public no longer looks for cover against a particular hazard, but seeks comprehensive protection. For this reason the Fire and Extra-Risks Dwelling Policy has been evolved, the insurance agreement of which reads: 'Does insure . . . against all direct loss or damage by fire, accident or other occurrence and beyond the control of the assured . . .'

"This comprehensive insuring clause includes, with the standard fire cover, protection for loss from tornado, explosion, flood, bursting of pipes and heating systems, malicious damage, collapse, collision, loss of rent arising from loss under the policy, and a multiplicity of other hazards which would come within the scope of the policy.

"The protection given by this policy is dual in character. First, there is straight fire insurance, identical with that given under a standard fire policy, and, secondly, the all-risks protection embraced in the wording: "Accident or other occurrence and beyond the control of the assured."

Taken Separately For While

"Occasionally there are cases where the existing insurance on the building is expiring immediately, while the contents cover has, say, eighteen months to run. In a case of this nature, the full fire and extra-risks policy can be sold on the building and the all-risks section placed only on the contents at a rate of thirty cents per $100 for three years. When the existing contents cover expires, the fire feature can be added, the whole risk, both building and contents, being then subject to fire and extra-risks protection.

"Thus, the fire and extra-risks policy can be sold to suit every requirement: as full cover on the building and contents; as full cover on the building and partial cover on the contents; and as full cover on the contents and partial cover on the building."

"Stay-at-Home Club" Brought in Business

With the cream of the life insurance fraternity basking in various parts of the country at annual conventions and outings, it seems very timely that some incentive to production should be given to those whose lot it is to keep the home fires burning. The Northern Life Insurance Co. seems to have solved this problem by means of a "Stay-at-Home" Club, the membership of which consists of those who were ineligible or unable to attend the annual "Polar Bear" Club convention which was held at London at the end of last month.

During the two-week period from Aug. 22nd to Sept. 6th, these stay-at-homes produced some $940,000 of new business.

In the meantime, however, the leading producers gathered at London, and participated in a solid three-day session of addresses and discussions. Among the addresses which came up for review before the underwriters were the following: "Opportunities for Life Insurance Service from the Trust Company," by J. S. Moore, manager of the London Western Co.; "Lapses and Changes," by R. G. Vogan, assistant actuary of the company; "Retail Credit Inspections," by H. F. Longine of Buffalo; "Programming Insurance," by H. H. McKinney; and "The Income-Building Possibilities of Renewal Commissions, by J. A. Saucier.

The Polar Bear Club consists of life underwriters who have produced $125,000 or more of business during the year.

Says Great West Loan Deficit is $1,847,000

WINNIPEG.—Capital of Great West Permanent Loan Company has been impaired by not less than 60 per cent. Shareholders have lost $1,847,755 of their capital, plus $416,940 of premiums paid on stock subscriptions. These are part of the findings of Allan S. Bond, who was appointed by the Manitoba courts to investigate the affairs of the company. His report has been filed in the case now under way in which winding up of the company is sought.

Calls Statements Misleading

Mr. Bond declares that the company's reports and statements have been misleading. Having regard to the character of its investments, debenture holders have been deceived since, say 1921, as to the value of the security they were getting. Sales of debentures during the past four years have been unjustified, says Mr. Bond. "The directors in making such sales have accepted great responsibilities. Obviously, a large portion of the money coming in from the sale of debentures has, for some time past, been used either in paying off the debentures which matured, and were not renewed, or has gone into real estate, as for example, the Marlborough Hotel, or used in paying the operating expenses of the company.

There is no reasonable prospect, says the investigator, of meeting debenture indebtedness shortly falling due. This amounts to $431,345 in 1927; $784,610 in 1928; $455,495 in 1929, and $300,550 in 1930. In addition, large other payments will have to be met, including taxes on properties owned.

Loss $12,000 Last Year

Reconstructing the 1926 profit and loss statement the report indicates that cash income was $92,952 and cash expenditure $275,071, indicating an excess of expenditures, or impairment of shareholders' capital of $182,120 during the year.

Going further back, Mr. Bond estimates that the company has run at a loss since 1923 and he places these losses at:

1923	$ 63,658
1924	38,687
1925	12,515
1926	115,099

The greatest profit was made in 1914 when the net gain was $356,879.

A reconstructed balance sheet shows liabilities of $5,264,761 and assets of $3,417,006, indicating a deficit of $1,847,755.

Company has 1,180 shareholders.

The report goes extensively into the various loans made by the company to projects in which the directors were alleged to be interested and details the losses on each.

Dividends Declared

	Rate	Date	Record
Hiram Walkers	50c.	Dec. 15	Nov. 30
Can. Car pref.	1¾%	Oct. 10	Sept. 26
How. Smith Paper, pf.	2%	Oct. 10	Sept. 30
Bell Telephone	2%	Oct. 15	Sept. 23
Shawinigan	50c.	Oct. 10	Sept. 23
Power Corp., pf.	1¼%	Oct. 15	Sept. 30
Can. North. Pr. pf.	1¾%	Oct. 15	Sept. 30
Wabasso	$1+50c.	Oct. 3	Sept. 15
Brazilian	1½%	Oct. 15	Sept. 15
Hillcrest Coll. com.	1½%	Oct. 15	Sept. 30
Do., pref.	1¾%	Oct. 15	Sept. 30
St. Maur. Pr. com.	1%	Oct. 15	Sept. 30
Inter. Utilities "A"	87½c.	Oct. 15	Sept. 30
Inter. Paper, pref.	1½%	Oct. 15	Oct. 1
Inter. Paper, pref.	1¾%	Oct. 15	Oct. 1
Dom. Textile, pref.	1¾%	Oct. 15	Sept. 30
Brant. Cordage, pfd.	2%	Oct. 15	Sept. 20
Hollinger	2%	Oct. 7	Sept. 21
Nipissing	1½%	Oct. 20	Sept. 30
Can. Cement, com.	1½%	Oct. 17	Sept. 30
Dome Mines	25c.	Oct. 20	Sept. 30
Brompton, com.	50c.	Oct. 15	Sept. 30
Quebec Power	2%	Oct. 15	Sept. 30
Mtl. L., H. & P.	50c.	Oct. 31	Sept. 30
Dom. Power, pfd.	1¾%	Oct. 15	Sept. 30
Premier Mines	8c.	Oct. 4	Sept. 15
So. Can. Power, pf.	1½%	Oct. 15	Sept. 24
Mtl. Telegraph	2%	Oct. 15	Sept. 30
Can. Ind. Alcohol	32c.	Oct. 15	Sept. 30
Dom. Eng. Works	$2	Oct. 3	Sept. 27
Standard Bank	3%	Nov. 1	Oct. 15
West. Groc., pfd.	1¾%	Oct. 15	Sept. 30
Kerr Lake Mine	6c.	Oct. 15	Oct. 1
Ott. Mtl. Pr., pfd.	1¾%	Oct. 15	Sept. 30
Imperial Bank	3%	Nov. 1	Oct. 15
Asbestos, pref.	1¾%	Oct. 15	Sept. 30
Maple Lf. Mill., pf.	1¾%	Oct. 18	Oct. 1
Span. River, com.	1¾%	Oct. 15	Sept. 30
Do., pref.	1¾%	Oct. 15	Sept. 30
Brant. Cd., 2nd pf.	50c.	Oct. 15	Sept. 30

Life Insurance Sales in Canada*

	1922 $	1923 $	1924 $	1925 $	1926 $	1927 $
January	27,432,000	28,108,000	30,673,000	30,838,000	33,907,000	36,986,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000	41,631,000
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000	44,553,000
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000	45,298,000
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000	39,962,000
August	26,720,000	25,079,000	27,983,000	31,724,000	36,010,000	38,360,000
September	25,081,000	25,579,000	30,010,000	31,229,000	36,259,000	
October	29,102,000	33,470,000	30,029,000	33,543,000	34,878,000	
November	29,664,000	34,165,000	32,483,000	36,760,000	44,251,000	
December	32,995,000	37,377,000	37,120,000	41,822,000	46,777,000	

Total, 1927, eight months	$325,198,000
Total, 1926, eight months	304,928,000
Increase to date 6.6%	$20,270,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON CALGARY
EDMONTON VANCOUVER

ST. LAWRENCE
UNDERWRITERS' AGENCY
FIRE and AUTOMOBILE INSURANCE
HEAD OFFICE - TORONTO

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

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IS A
GOOD COMPANY
Provincial Offices:
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TOTAL BENEFITS
Paid to Members and their Beneficiaries
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Policies Issued from $1,000 to $5,000
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NORTHWESTERN MUTUAL FIRE ASSOCIATION
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HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO.
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ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

Metropolitan Life Insurance Co.
One Canadian in every six is a Metropolitan Policyholder
To state there are 2,349,904 Metropolitan policies in force in Canada is just another way of saying one Canadian in every six is insured with the Metropolitan.
Canadian Head Office, Ottawa

Why Not Have an Estate Now?
The first payment on a legal reserve life insurance policy creates an immediate estate equal to the face value of the policy.
Your ultimate purpose of creating an estate of $10,000, $50,000 or $100,000 by a definite or indefinite date, cannot thereafter be defeated by the casualty of death.
Life insurance is fire proof, thief proof, tax proof, fool proof. Its benefits are secure; its provisions incontestable.
In no other way can an estate be created and established by the payment of such a small instalment.
Such an estate can be created TO-DAY by a deposit of from 3% to 5% of the face value of the policy.
SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

Current Events in Banking World

AUGUST GENERAL BUSINESS VOLUME WELL MAINTAINED

Industrial Activity Second Quarter More Favorable Than in 1926

By SYDNEY B. SMITH.

Volume of general business in Canada was nearly maintained in August according to an index based on 26 important items. The index was 136.1 compared with 136.9 in July. The level of industrial activity is below that of the second quarter of the present year but more favorable than in the corresponding period of 1926. The uncertainty in regard to the crop situation, accentuated this year by the backward weather in seeding time, resulted in a certain amount of hesitancy in industrial centres. Now that one of the largest of crops in the history of the Dominion is assured, one of the principal factors in Canadian prosperity will operate to maintain a high level of activity during the next twelve months.

The trend in Canada during recent months has also been adversely affected by the moderate reaction in the United States. It is inevitable that conditions in that country with which we are so closely related should react on Canadian conditions. According to the latest comprehensive information, the lowest point of the present reaction in the United States was reached in July and slight betterment was shown in August. Providing industrial production is speeded up in coming months according to present prospects, Canadian industry will receive a corresponding impetus.

The bright spots in the industrial situation in August included the pulp and paper group, the output of newsprint being the largest on record. The iron and steel industry showed improvement and the meat-packing and slaughtering plants were more active. Building permits statistics indicated a large volume of construction, constituting a record for the month. Carloadings were greater than in any other month of the year with the exception of March.

Index of General Business in Canada 1926-1927

Month	1926	1927
January	119.3	130.5
February	124.5	130.9
March	124.2	134.8
April	125.3	136.0
May	126.3	139.7
June	128.5	139.3
July	126.6	136.9
August	128.0	136.1
September	126.0	.....
October	127.1	.....
November	129.3	.....
December	130.0	.....

Winnipeg Clay Company Makes Pref. Stock Offering

Eight per cent. preferred stock of the National Clay Products, Ltd., is being offered by the Finance Company of Canada, Winnipeg. The National Clay Products owns and operates a modern brick plant at Edrans, 96 miles west of Winnipeg on the McGregor branch of the Canadian Pacific railway. The industry, it is anticipated, will expand rapidly, and its product be in wide demand for building purposes. Pressed brick, hollow brick and tapestry brick are the principal products.

The purpose of the stock issue is to enlarge the plant so that additional lines be manufactured, including rough texture face brick and tiles, and also to supply additional working capital. The clay deposits at Edrans, say the managers, Robert D. and W. E. Hales, covers 18 acres and has a depth of from 30 to 40 feet, a supply adequate for many years.

Quebec Motors Increase

J. A. Begin, controller of provincial revenue, says that 120,000 automobiles have been registered in Quebec during the first six months of the year and that the whole year's figure will likely be 135,000, as compared with 100,000 last year.

Staff Gossip

A. E. Exham, teller in the Bank of Montreal at Rossland, has been transferred to the Victoria branch. G. T. German, ledger keeper, will succeed Mr. Exham at Rossland.

* * *

W. Jardine, for the past eight years credit officer in the superintendent's department of the Bank of Montreal in Winnipeg, has been appointed manager of the St. Catharines branch.

Opens New Branch

The Bank of Nova Scotia has opened a branch at the northwest corner of St. Catherine and St. Alexander Sts., Montreal. The new branch will be known as the St. Catherine Street branch.

The Dominion Bank advises the opening of a branch at Camrose, Alta., on Oct. 1, under the management of A. Tomkins.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	Sept. 24, 1926	Sept. 22, 1927
Montreal	$99,710,786	$144,457,288
Toronto	99,298,958	139,480,308
St. John	2,619,158	....
Halifax	2,614,739	2,977,070
Moncton	809,919	865,447
Sherbrooke	842,643	956,238
Quebec	5,390,451	86,830,691
Ottawa	6,037,205	8,191,348
Kingston	1,555,633	1,109,270
Peterboro	722,578	876,288
Hamilton	5,978,025	6,739,208
Brantford	995,460	1,286,775
London	2,654,687	3,238,177
Chatham	......	729,876
Kitchener	981,185	1,204,585
Windsor	4,980,211	4,774,462
Sarnia	......	744,932

Western Cities

	Sept. 24, 1926	Sept. 22, 1927
Fort William	$1,049,593	$1,059,771
Winnipeg	1,049,593	1,059,771
Brandon	622,009	657,806
Regina	5,301,206	4,913,875
Saskatoon	2,107,339	2,267,022
Moose Jaw	1,343,926	1,407,746
Prince Albert	388,922	464,407
Lethbridge	463,173	672,946
Calgary	5,181,819	6,936,292
Edmonton	4,650,063	5,503,370
Medicine Hat	313,186	327,311
Vancouver	17,761,283	19,524,436
Victoria	1,979,126	2,361,260
New Westminster	766,127	829,712

Banker and Western Business Man Talk About Bank Loans

By HOWARD T. MITCHELL.

The feeling used to be prevalent almost everywhere throughout the West that Canadian banks put a brake on development by refusing to lend money as freely as do their financial counterparts of the United States. Almost without questioning the postulate was accepted as a fact. Now, however, the West is coming around to the view that the Canadian banks are able to bring the West working capital it could not find at home.

"Yes, we're doing well enough," the Westerner says, "but if the banks would only loosen up and send some of that money out from the East we'd go ahead faster." He says that but at the same time he is discovering that that is just what the banks do.

The other day I sat in on a conservation between a coast business man and a former banker now in private business. The complaint, the incident and the answer contained the sum and substance of the banking situation in the West as viewed from both perspectives.

Says Banks Too Conservative

Said the business man: "The Canadian banking sytsem can not compare with that in the United States for service in nation building. The banks are too conservative here. They take money on deposit and won't lend it out to help build the country, no matter how good the security."

"You must concede them the virtue of safety and they do not jolt Canadian business with periodical crashes," I suggested.

"That's not good enough," said he. "In the United States the banking system tends to encourage business to expand."

The ex-banker was waiting for a citation of facts.

"Go on," he encouraged. "Tell me your side of it. This is a subject I know by intimate personal acquaintance."

Wanted More Capital

"Well," said the business man, "a short time ago our firm had an opportunity to take a first class contract. There was $75,000 in easily earned money in sight for us. To handle the job we needed about $60,000 worth of additional equipment. I don't mean that we needed things we could not use again. It was equipment of a permanent kind and could be kept busy after that particular contract ended. Our company's assets were rated at about $200,000 and that did not include an item of $50,000 for good will. Physical assets could be sold to realize $200,000.

"I went to our bank and told the manager the exact situation, the possibility of cleaning up $75,000, the need for additional equipment and for $60,000 to finance it.

He said: 'You don't want a loan, you want $60,000 new capital.' ("Quite right," interposed the ex-banker.)

"'But,' I said, 'we who have had our money in this organization through years good and bad, doing all the pioneer work, certaily don't feel disposed to turn over such a large interest to a new partner. We feel that we should get the full advantage of our enterprise. The security for a loan of $60,000 is ample, as there is no prior obligation on our $200,000 worth of assets.'

"Do you think we could get that loan? No, he turned us down flat."

"And quite rightly so," said the other. "You needed new capital and it is not the function of a bank to provide that in business.

Went Wrong Way About It

"You had two courses open to you," the former bank man went on. "You could have taken in a partner or partners to the extent of a $60,000 interest or you could have issued bonds to the value of $60,000. The latter course would have been equivalent to mortgaging your assets and on creation of a sinking fund for repayment of the mortgage your company would have had the legitimate use of the $60,000 without extending your capitalization."

"Yes, I'll admit we might have done that," said the business man, "but see how it worked out. We had an offer to sell out our business to another firm on favorable terms. Alone we were not able to accept the contract that had been available, so we amalgamated with the other organization and took our business with us.

"When the banker learned what we had done and that our account was closing he was considerably perturbed. If his bank had lent us the money he would have retained our account."

Would Loan on Inventories

"He couldn't have done it," replied the one time banker. "The bank's regulations would not allow it."

"But if that were $200,000 worth of sugar in a steamer out on some God-forsaken spot on the map I could have borrowed $60,000 on it from the bank without an argument. The bank's rules would have allowed that."

"Quite so. If it were flour, for instance, you could have borrowed to within about 90 per cent. of its value. But sugar and flour are commodities in world wide constant demand with known value and with daily price quotations. They are almost collateral. But supposing you had a shipload of ostrich feathers worth $200,000, would you expect the bank to loan you money on it?

"The bank makes its money by rendering commercial services at narrow profit margins. Short commercial loans, discounting of notes and commissions on foreign exchange are some of its chief revenue sources.

"It can not afford to tie up its capital in real estate and equipment of uncertain value and in which there is an ever-present danger of 'freezing.'

"In the United States, if you apply for a loan of a sum such as $200,000, the banker asks: 'Do you intend to open an account here for the conducting of your business?' You say you do, and he tells you, 'All right, we'll lend you the $200,000 at such and such an interest rate. We like your security, but you must agree to keep $35,000 or so in cash in this bank without interest.'

"Then there are restrictions down there making it impossible for banks to lend sufficient money to meet the financial requirements of the larger corporations and there are instances of big United States companies having to carry accounts with three or four banks and undergoing the inconveniences of the additional accounting involved in order to comply with the banking laws. That situation does not exist in Canada.

Bank Failures in States

"There are about 200 banks a year failing in the United States. Someone gets hurt. We don't have that in Canada.

"But what do we need, here in the West particularly, are more trust companies and building and loan societies to function as do the banks, the trust companies and the building and loan societies across the line.

"Another thing: Until recently, we have not been getting new investment funds from the life insurance companies. They have been taking money from the West in premiums for years to invest elsewhere. Of course, our boom of 1910 to 1912 created an unhealthy investment situation here, but that inflation has since been wiped out and values have been on a sound basis for ten years.

"One by one the life insurance companies are coming in and again are lending money in Western Canada. That will help in a very important way.

"But don't blame the banks for not performing a duty that belongs actually to another branch of finance. Thank the Lord they supply the solid foundation we need for a stabilized trade and commerce."

Alberta Is Healthy

According to information received from the Metropolitan Life Insurance Co., the province of Alberta is exceptionally free from such diseases as scarlet fever, typhoid fever, whooping cough, etc. So far this year the company's records show no deaths from these causes, and only one death from measles. During the same period, Quebec had 203 deaths from typhoid fever. For the whole of Canada, death rates show an increase from 898.7 in 1926 to 916.7 in 1927. This is not considered abnormal when it is noted that there has been a 32% increase in the death rate from typhoid fever.

Fur Prices Advance

At the September Canadian fur auction sales at Montreal, cross fox skins advanced in price 30 per cent. as compared with the sales held in June last, the top price in September being $175. The fur was in strong demand by European and United States buyers. Marten and beaver pelts were also in active demand.

U. S. HAS LITTLE FOREST WEALTH NOW

Depletion of Forests There Brings Industry to Canada

The chief reason for the trek of the pulp and paper companies from the United States into Canada lies in the depletion of the forests in the U.S. To-day less than 17 per cent. of the original forest wealth of the U.S. remains—and most of these resources are located in the far western states where the timber is both inaccessible and distant from the larger pulp and paper consuming centres of the eastern states.

Originally there were some 821.8 million acres of forest lands south of the border. Now there are only 138.1 million acres. In the Pacific Coast states, the original forest is estimated at 140.8 million acres. About half of this figure remains. These states have now only a timbered area of 77.4 million acres.

But it is in the east that the situation is the more significant. With an original area of 681 million acres the forests have been denuded until less than ten per cent. of the forest wealth remains with timber covering only 60.7 million acres. It is largely to the eastern states that the U. S. looks for its supply of pulpwood with which to feed the pulp and paper mills.

The situation in the U S. is the more serious when it is remembered that only a portion of the forested areas bear wood which is suitable for manufacture into pulp. This situation is one which is being utilized to awaken the Dominion to the need of protecting its forests and maintaining sane and sensible forestry policies.

Real Estate Boards Name Davis Counsel for Canada

H. H. Davis, of Toronto, member of the firm of Kilmer, Irving and Davis, barristers and solicitors, has been appointed associate counsel for Canada for the National Association of Real Estate Boards. The Hon. Andrew R. McMaster, K.C., of Montreal, who has served as associate counsel for Canada for a number of years, will continue to serve the association as its associate counsel for Quebec, in which province the old French law still prevails. Mr. McMaster is of the firm of Campbell, McMaster, Couture, Kerry and Bruneau, advocates and solicitors.

Mr. Davis is a recognized authority on real estate law. He is the present counsel for the Ontario Association of Real Estate Boards and for the Toronto Real Estate Board.

Close Inspection N. B. Potatoes

Special efforts are being put forth this year to ensure only stock of the best marketable quality going out with the shipments of New Brunswick potatoes. Last year New Brunswick's potato exports totalled $8,000,000.

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Wish to announce

Mr. W. B. Milner

has this day been admitted to a general partnership, and a change in the firm name to

Harley, Milner & Company

Associated with this firm will also be

Mr. J. S. Brown
and
Mr. Latham Burns

The firm will continue to transact a general investment and stock brokerage business at its offices in Toronto, London and Windsor, Ontario. The Toronto Office has been moved to ground floor premises at

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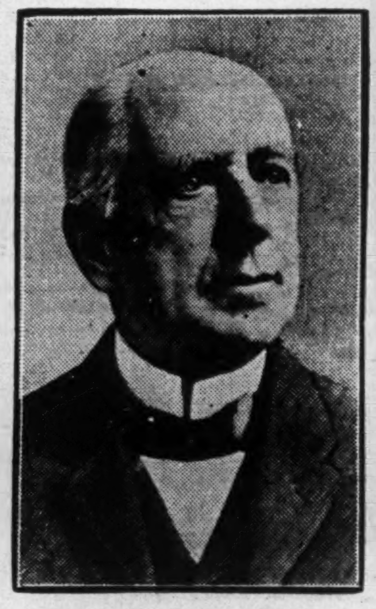
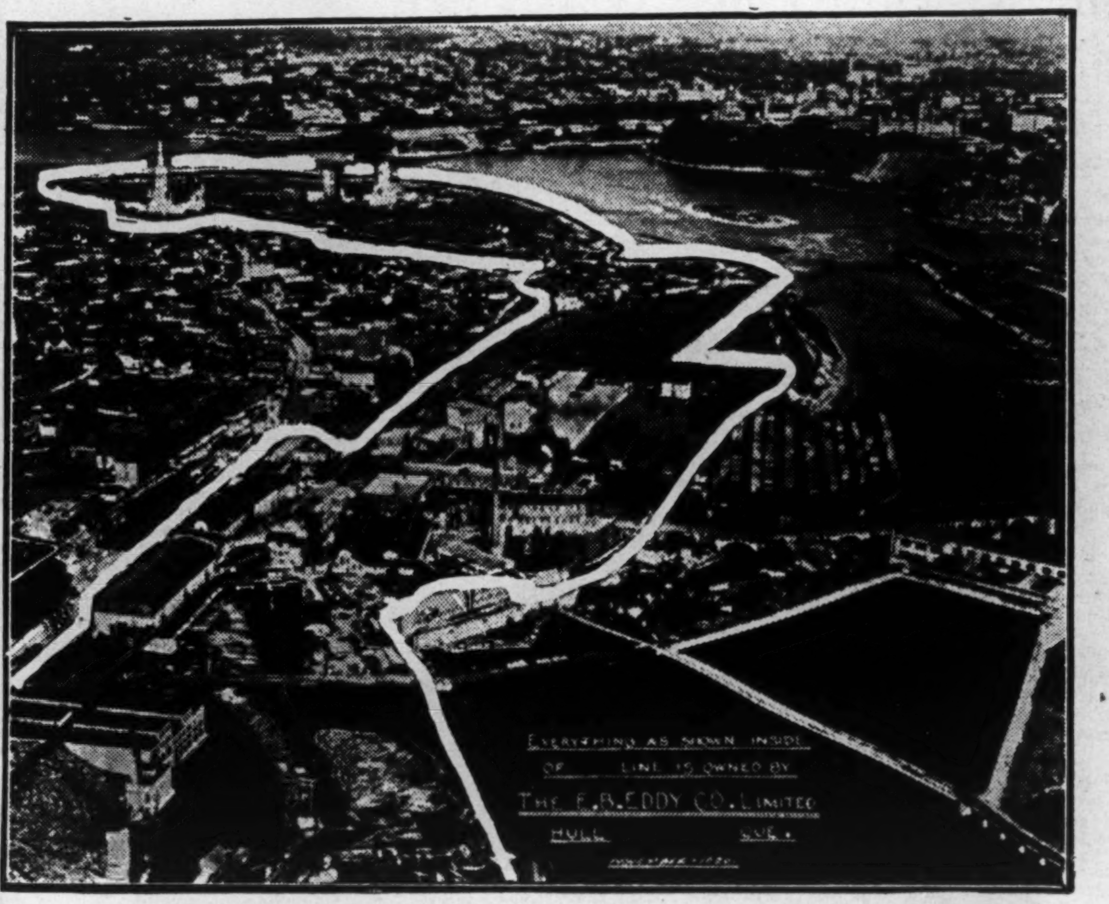
Toronto,
Sept. 26th, 1927.

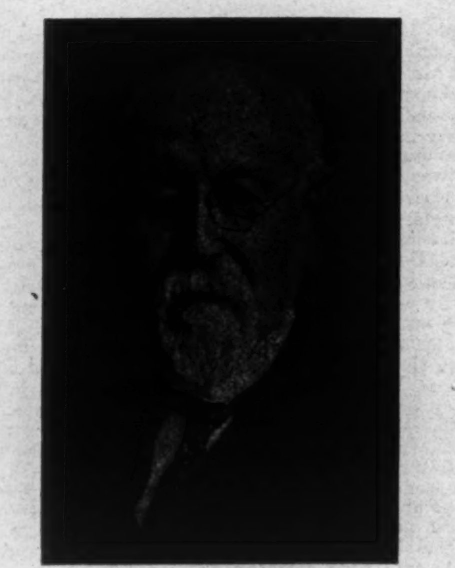
Number 4 of a Series of Advertisements Featuring Your Industrial Opportunity in Hull, P.Q.



EZRA BUTLER EDDY,
who founded the E. B. Eddy Company in 1851.



The above picture portrays vividly the extent and growth of the E. B. Eddy Company's holdings, which to-day embrace more than 75 acres covered with the most up-to-date mills for the manufacture of matches, pulp, newsprint and paper products.



GEORGE H. MILLEN,
to-day's president of the company and with it since 1866.

BUILDERS OF HULL!

Featuring the far-famed E. B. Eddy Company which today stands as a vital monument to the vision and capacity of its founder and successors, who saw and utilized Hull's industrial advantages to the full

THE history of any community is the history of its leading men. This is especially true of Hull, Quebec, for the growth of Hull is so inseparably linked with the growth of its largest industry, the E. B. Eddy Company. The city has profited by the contribution of the founder and successors of the E. B. Eddy Company to the city's industrial expansion and community betterment. The company itself has profited through its leaders utilizing with foresight and initiative the industrial advantages which Hull had, and has, to offer.

It was 76 years ago — 1851 — that the late Ezra Butler Eddy came to Hull, then little more than a backwoods settlement. He was only 24 years of age and without capital except those greatest of all assets — keen business ability, resolute courage and the human qualities of loyalty and devotion.

Mr. Eddy rented a small shack on the Hull bank of the Ottawa River, just below the Chaudiere Falls, and started out to make matches—the old "telegraph" sulphur variety, at the rate of ten or less cases a day.

In 1866 — one year before Canada's Confederation — Mr. Eddy was joined in the business by another man, Mr. George H. Millen, today's president of the company, whose capability and humanity is also indelibly written into the growth of the company. In that year, Mr. Eddy was able to buy a saw mill, and Mr. Millen came to take charge of that mill. By 1880 the company was manufacturing 185 cases of matches a day and was sawing in its own mill some 75 to 100,000,000 feet of lumber a year.

In 1888, as preparatory to the manufacture of newsprint paper, the old sulphite mills were built. The actual production of newsprint began in 1890.

In 1900 the great Hull and Ottawa fire wiped out the entire Eddy plant with the exception of the sulphite mill. A lesser man than Ezra Eddy would have given up, but undaunted he rebuilt, modernizing the mills in so doing. In 1909 and 1910 the big pulp mill on the Aylmer Road was erected, and since then several smaller additions have been made and the hydro-power facilities have been greatly enlarged. In 1926 the big new newsprint mill was opened.

But what a record of brilliant and colorful achievement is back of this briefly-sketched history of the Eddy Company. This is perhaps best mirrored by today's extent and production of the company. It owns 2,000 square miles of standing timber — which is the very life blood of newsprint production. The Eddy plant in Hull covers over 75 acres and comprises general offices, a power station capable of generating many thousands of horsepower, a fire department, a ground wood mill, paper mills containing eight paper machines, a saw mill, a converting plant, and acid plants, etc., — in short, every element necessary for the complete manufacture on the company's premises of a finished sheet of paper from raw material in its primary form.

2,500 men are employed with annual payroll in excess of $1,000,000.

Production reaches the following amazing daily total:

Newsprint, one hundred and twenty tons.
Wrapping, twenty tons.
Bags, one million.
Tissue and towelling, ten tons.
Sulphite pulp, seventy-five tons.
Fine paper, thirty tons.
Board, twenty tons.
Matches, one hundred and twenty million.

Eddy's products are known throughout the civilized world.

The history of the E. B. Eddy Company, and the city's other successful industries, picture what Hull offers to all men of courage, capacity and vision who come here to avail themselves of its civic and industrial advantages.

Of a truth, Hull TODAY offers even greater opportunities based on the present material advantages available from the outset to enterprising men: —

Hull is the converging point of a tremendous hydro-power development.

Labour is noted for its steadiness. Hull has been without a strike for over 30 years.

The city's location is central to Canada's most concentrated markets.

Fine transportation facilities are available — the Canadian Pacific Railway's direct trans-Canada route; the Canadian National Railways; water shipments to seaboard and to and from New York State; first class roads for motor and truck traffic.

Hull is a home city, 75 per cent. of the workers owning their own homes. Fire and police departments give adequate protection. Educational facilities are excellent — including a splendid technical school.

Hull will welcome you and co-operate fully toward your success.

For Information Write

H. BOULAY, City Clerk, Hull, Que.

Bring Your Industry to HULL Que.

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Canadian Mining News
THE FINANCIAL POST
The Canadian Newspaper for Business Men and Investors
Vol. XXI. 10c a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, SEPTEMBER 30, 1927 Member of Audit Bureau of Circulations No. 39

Attorney General Chasing Parasites Out of Ontario

Raids on High Pressure Brokerage Houses Proving Beneficial

HOW THEY WORK

Are Imports Who Have Been Attracted by Mining Boom

When the provincial officers working under the direction of the Attorney General's Department swooped down upon a nest of high-pressure salesmen recently, they found the birds had flown.

But they found traces in abundance of the trade which these men were plying and piracy on the high seas in the days of Captain Kidd was a mild occupation compared to the methods of the modern buccaneers.

Incidentally it may be stated that if prompt action had not been taken, it is probable that this group of "high binders" and the various other groups of their ilk who were ensconced at various points in Toronto, Ottawa, Windsor, London, Hamilton and other centres, would have fleeced the Canadian investing public of millions upon millions of dollars.

Those interested in the sound development of Canadian mining are loud in their praise of Attorney General Price and his officers. The moment they were informed of the methods these men were using they lost no time in gathering the evidence and raiding their offices. The fact that the stock salesmen had been able to make their escape, except in one or two instances, leads to the conclusion that these men were well aware that Canadian justice acts swiftly and that at last there is to be a close survey of the type of man who is offering mining or industrial shares on a "clean - up - a - fortune-in-a-few-days" basis.

They Got Away

In a certain den of thieves which was located in one of the oldest office buildings in Toronto, the gang of New Yorkers got away just one day before the provincial police entered the premises.

When the officers entered they found a battery of fourteen telephones. They also ascertained the sort of minds these men must have had by the filthy profanity which the salesmen had cut into the tops of new mahogany desks. They paid their compliments to the officers in words suggestive of New York's east side.

Above the telephone in large letters was the motto of all strong-arm salesmen. "Don't Work" was the banner under which they operated.

In addition to these telephone salesmen, more than a dozen Toronto boys were employed as messengers. All stock selling was done over the telephone. The names of reliable brokers were used to put over the swindle, and the victims were told that there was positive information of a very large appreciation in the value of certain shares "within the next day or two." The salesman gave his current name to the man who bought, and was told to have his cheque ready. The stock was dispatched by messenger who received the cheque. It was made payable to the order of a Mr. Jones or Mr. Brown, and never did the buyer see the man from whom he made the purchase.

Gave His Money Up

It is said that thousands of shares were sold until a prominent man "squawked" after he had been persuaded to put up many thousands of dollars.

Only prompt action on the part of the provincial police saved the public. The game was going merrily when the "tip off" came. In some manner or other one of the branches of this super-organization of crooks heard that the authorities were after them and they cleared out like mist before the sun. But in the meantime they had done their damage to a number of the gullible. It is said on good authority that forged certificates, even counterfeits, have been used in this raid on the pockets of Canadians.

It is reported that this invasion of "high pressure" and no conscience embraced at least a hundred men, split into several organizations and working together to support one another's efforts. That is, the salesman of one unit would be closing a sale. His prospect might be in doubt. Immediately he would be passed on to another organization. A salesman of this group would call up the prospect and ask him if he had any shares of the Bunkum Company. "We are paying 75 a share if we can get large blocks," he says. Then the first salesman returns to the hunt and tells the prospect that if he wants thirty thousand Bunkum he will have to talk fast. He can get it at fifty-five if his cheque is ready when the messenger calls. And make it out to cash please. It sounds crude, but people fall for it, people more prominent and sophisticated than one would imagine.

Prosperity Attracts Them

Behind these parasites that follow every period of prosperity in any industry, whether it be oil, mining, motor trucks, chain stores, etc., it is said there lives in New York a millionaire criminal who would out-Wallingford the famous J. Rufus and make Conan Doyle's Moriarity look like a piker.

It is this sinister figure that has taken hundreds of millions from the people of both countries. He it is who provides "front money" for a horde of high pressure salesmen. He provides them with the frame up, the fancy desks, the advance money for rentals, telephones, and then turns them loose.

Admittedly clever with a totally unmoral idea as to truth, without an ounce of pity in their hearts for man, woman or child, they will leave no word unsaid, no pledge ungiven if they can induce any man to put up his money. They do not care what they sell. They only want a selling talk, and a bunch of tricks. They are almost always of one nationality.

When the provincial police set themselves to the task of routing out or rounding up this group, they gathered photographs of the men. Many of the salesmen had criminal records across the line, ranging all the way from gunplay to mayhem. Some of them are officially designated as drug fiends.

The "master mind" has switched them to another field and the public has been saved from another "trimming."

Frequently mining companies which have no intention of wrong doing become the victims of these crews of

(Continued on page 64)

Typical Example of High Pressure Stuff

Following telegram was received by a Toronto man and it was followed by a long distance 'phone call.

Boston, Mass.

Under turnover approximating sixty thousand shares Victory Gold closed four dollars twelve cents. Take it from me at one hundred per cent. plus. From what I know nothing should halt Victory's triumphant march to ten dollars, eventually twenty-five. Don't miss your complete opportunity. Wire debater buying orders immediately.

(Signed) E. T. MORTON.

ELECTRICAL SURVEY ON VICKERS GROUP

Extensive Surface Exploration Has Revealed Interesting Situation

A contract has been signed with the Radiore Co. to make an electrical survey of the Vickers No. 1 group which is close to the corner of the four townships in Rouyn and in close proximity to Ribago, Amulet, Area, Grover Daley, Corona and McDougall, all properties very much in the public eye. Under the direction of Chas. Spearman, consulting engineer, an extensive programme of surface work has been carried on, including stripping and trenching and the mapping of the geology. A number of dykes have been uncovered and a great number of veins. Recently an important surface discovery was made and deep trenching showed a good copper content in a body 3 to 10-ft. wide. The management is optimistic in regard the outlook for the property and expects good results from the survey.

AMITY LOOKS TO BE ONTARIO'S BEST COPPER PROSPECT

Company Has Opened Up Considerable Massive Chalcopyrite

SHAFT 200-FT. DEEP

Property Opened on 50 and 125-ft Level and is Also Diamond Drilled

Good progress is being made in opening up Amity Copper which is located just to the south of the Boston Creek Station of the T. and N.O. Railway. The operation is assuming rather an important aspect. A considerable amount of high grade chalcopyrite that compares very favorably with the massive ore which Noranda has developed has been encountered and the limited amount of work done to-date has revealed a considerable and encouraging amount of this ore. The grade is excellent, the widths fair and there is a distinct tendency for the ore zones or shoots to widen with depth.

Amity copper was carried on for a considerable time as a private operation, a number of Toronto men providing the money to test out the property. Just recently, following considerable lateral work and diamond drilling, a public company was formed and trading in the shares started this week. Stock which the directors took down for the early money they put up, has not been issued, but is held in pool and out of the capital of $3,000,000, there is about half still in the treasury.

Surface prospecting on Amity revealed a mineralized zone of banded iron and chalcopyrite with a length of 3,600-ft. Trenching and shooting opened up massive chalcopyrite close to the surface and shaft sinking was started. At a depth of 50-ft. a prospecting crosscut was run to the vein and some drifting done. The 120-ft. of work done here showed that the ore body averaged eight feet wide and copper values run around 7 per cent. At 125-ft. the body had widened to 11 to 13-ft, and a 22-ft. crosscut was run to the vein and about 300-ft. of drifting done. A considerable amount of massive chalcopyrite was encountered. The massive ore is found on the hanging wall side, and the rest of the body is lower grade, but a good average across the full width.

Diamond drilling was undertaken to get some information about the deposit at depth and so far it has been cut by one hole at a vertical depth of 260-ft. and shows 13-ft. of commercial ore. The shaft is now about 200-ft. level and the next level will be opened at 250-ft. There are three parallel bodies that have not as yet been explored to any extent. The property has a plant capable of going to 400-ft. Power line crosses the property.

PREMIER SECURES 76% INTEREST IN PROSPERITY GROUP

Bulk of Rich Property Now Passes Into Hands of Large Operation

PORTLAND CANAL, B.C.—By the purchase of another 24 per cent. interest in the Prosperity group from F. R. Jancowski, W. L. Jancowski, Eli Watland, Gerald Steward and G. D. Davis, the Premier Gold Mining Co. now owns outright 76 per cent. of that Marmot River property, which has suddenly broken into fame on account of the richness of the ore and the continuity of the vein.

It is learned on the best of authority that the Premier will continue work all winter on the property. Supplies sufficient to last a crew of ten men for seven months are now being moved up the hill by Jack Rennie, the Marmot packer, who has about forty horses on the trail and is chasing them hard in order to complete this job before the snow makes packing impossible. He estimates the amount to be taken in at about 120 tons. The men will be housed in a stone building, 18 by 52 feet inside measurement, which was recently completed.

The crosscut tunnel that tapped the vein at a vertical depth of 80 feet, reached it in an oxidized zone which, while it carries numerous nuggets of native silver and chunks of solid galena, is not nearly as high grade, on the average, as the surface ore.

New Drilling Contract For McCarthy-Webb

Diamond drilling contract has been closed for McCarthy Webb property in Goudreau. Smith and Travers who will do the drilling will start work the end of this week. Drilling will be done from surface. Considerable drilling was done on the property previously and excellent results secured. The new drilling has been plotted by Chas. Spearman, consulting engineer and is believed to be a check on the previous drilling. The new contract is for 2,000-ft.

BOSTON CREEK NOW LOOMS BIG; BARRY FIND IMPORTANT

Latest Report is That Drift is Now in Ore on 1,000 Level

OTHERS LOOK GOOD

Gold Hill Has Approved of Expansion Program — Hilltop is Well Financed

Boston Creek gold area begins to loom much larger on the mining horizon as a result of the success which Barry Hollinger is meeting with on the 1,000-ft. level. Engineers are now saying that the area now looks like a real camp.

No further official information is available in regard the work on Barry Hollinger, but it is understood that the drift is still in spectacular ore and must now be well over 150-ft. long. Barry shares sold up this week to 84.

Barry's success is focusing attention on the other gold operations in the camp. Gold Hill and Hilltop being the principal ones. Shareholders of Gold Hill have just approved of the proposal to increase the capital to $4,000,000 and to take in additional ground. President Dave Angus, the manager is about to launch a deep level programme of development and will sink from the 800 to 1500-ft. level. It is also the intention to increase the capacity of the mill.

Mr. Angus has also taken over the direction of operations on Hilltop. The company recently put through a deal for new finances and with ample funds assured, will likely diamond drill from the 400-ft. level. At this horizon, some good ore has been opened up. It is the intention of Mr. Angus to run a long drift on the Gold Hill vein, west into the Hilltop ground which adjoins. This will open up the Hilltop on this level and give some quick and cheap information about the property at depth. The 800-ft. level is much the best level on Gold Hill and the 1000-ft. level is much the best on Barry Hollinger which would support the contention that the ore gets better at depth.

NORANDA AFTER AMULET; LIKELY TO DELAY PLANS

Report is Mr. Timmins Favors Deal — Others Want Public Financing

There is a feeling abroad that the new financing of Amulet Mines will not be undertaken until after the turn of the year.

Amulet needs money. In fact, it is generally accepted that the work now going on is being financed by the directors.

Mining men who are close to the company state that there is a difference of opinion among the members of the board and this is making for the delay. Incidentally, what they state, raises the possibility of no further public financing being undertaken.

N. A. Timmins, president of Hollinger Consolidated Mines is one of the largest shareholders in Amulet. It is said, that of late, Mr. Timmins has taken a dominating position in the enterprise. They believe that this is a forerunner of a move to have Amulet throw in its lot with Noranda. If this is the right slant on things, and if Mr. Timmins' proposal is finally accepted, Noranda, instead of the shareholders would put up the money to develop the property.

On the other hand, it is generally known that President Russell E. Popham and Fred McConnell who launched the Amulet enterprise are in favor of financing by granting rights to the present shareholders. It is believed that they are in favor of having the financing gone on with at once. However, Mr. Timmins' proposal makes for delay, at least, and for this reason it is not believed that there will be anything done until after the turn of the year.

Ontario Woman Lake to Start Diamond Drilling

A diamond drill has gone into Ontario Woman Lake property, in Woman Lake, and it is expected that it will be set up and operating by the end of the week. Some very spectacular ore has been found on this property which is one of the first staked in the Woman Lake section. Veins of great length and widths and showing free gold in many places have been opened up by the extensive exploration programme which has been carried out before any effort was made to test out the property underground.

NEW ONTARIO MINES

Cogomet Mines, head office Ottawa. Capital $3,000,000. No par shares.

Jamieson Exp. & Dev. Co. Head office Toronto. Capital $400,000, 40,000 $10 shares.

Central Manitoba Has One Ore Shoot 1,200-ft. Long

Taylor's Tell Public Just What They Have

-In the adjoining column will be found a full official statement on the Central Manitoba Mines, the pioneer gold mine of Manitoba. The statement is issued following a visit to the property of Henry Taylor of John Taylor & Sons, London. The report is quite conservative, but reading between the lines one gets some idea of the size of the venture. It is understood that regular progress reports are to be issued to the public at regular intervals.

Interesting Facts Contained in Official Statement on Operation

OUTLOOK EXCELLENT

New Ore Shoot Comes in— Mill About Ready Now to Commence Production

The Board of Central Manitoba Mines have pleasure in making the following statement as a result of their conference with Mr. Henry Taylor, a partner of John Taylor & Sons, London, and Mr. Thomas Pryor, that firm's engineer, who have recently returned from a visit to the property in company with the president, Mr. Arthur D. Miles.

Since November of last year, when an issue of Treasury stock was made to provide funds for mill and mine equipment, operations at the property have been principally devoted to preparing the mine to deliver ore to the mill, and to the construction of the mill and cyanide plant, which has a daily capacity of 150 tons, and is so designed as to permit of increase at minimum cost as soon as mine developments warrant greater output.

In spite of the fact that this installation is in a new mining district, situated at some distance from railroad facilities, the construction work has proceeded smoothly and rapidly. The power line, which is 43 miles long, has reached the mine, and the mill will be completed and carrying out its trial runs during the month of October. It is expected that the mill will assume normal working conditions in November. The fact that the plant will be ready to operate by such time, is an achievement which reflects great credit on the skill and energy of all the staff concerned, especially Mr. Stovel, superintendent of the mine, Mr. Hanson, who has designed and erected the mill, and the Manitoba Power Company, who have erected the transmission lines from their Great Falls power plant to the property.

Drilling Confirmed

As regards the mine, the indications afforded by the original shallow diamond drilling have been amply confirmed by the detailed drifting, winzing and raising underground, with the result that at the 125-ft. level there is a continuous length of 1200-ft. of stoping ore, a fact which augurs well for the future prospects of the property. As far as development has gone at present, payable values have been proved in this particular ore zone down to about 50-ft. below the 375-ft. level, but the quartz continues as wide and strong as ever to the deepest point yet reached, which is 250-ft. below this level. There appears to be every reason to look for new makes of payable ore as development of the lode proceeds, and with this object in view, driving at the 625-ft. level will be undertaken as soon as the mine is working under electric power.

The expectation of new makes of ore is encouraged by the fact that a new exploratory winze, started from the 375-ft. level at a point some 600-ft. west of the main winze, has entered upon what appears to be a new shoot of ore which is not known at surface or in the levels above. This new winze has reached a depth of 80-ft., the quartz averaging 4.7-ft. in width and $8.30 in value. During the coming winter, exploration will be continued here, and at the same time, attention will be given, not only to the deeper exploration at the 625-ft. level, but also to the detailed exploration of narrow lenses of good grade ore found in the Growler Prospect Shaft, which is situated 1600-ft. west of the Main Eclipse Shaft. In addition, the 375-ft. level will be pushed eastwards to explore a virgin section of ground approximately 1600-ft. long, in which surface trenches have shown the existence of at least one well-defined lode with some encouraging values.

The above results and proposals for development all refer to the Kitchener Mine, which only forms one portion of Central Manitoba Mines' extensive holdings.

On the Wad

On the eastern section of the property where the company holds a length of some 4000-ft. on the main wad ore zone—only a very small amount of new exploratory work has been done in the period under review.

At the Tene 6 section, where last November surface indications and shallow prospecting had shown a lens of quartz 15½-ft. wide, assaying from $13 to $20 per ton—the work at the 60-ft. level has been disappointing.

(Continued on page 64)

"SMELTERS" STARTS ON BIG MISSOURI PORTLAND CANAL

Official Announcement is Made at Coast That Deal is Made

From Our Own Correspondent.

VANCOUVER, B.C.—Official corroboration of the report that the Consolidated Mining & Smelting Company of Trail has acquired the Big Missouri Mine, has been made by President J. J. Warren. Important developments by the big mining organization, possibly on the long-projected coast smelter enterprise, were reported to be pending, when Mr. Warren, W. M. Archibald, director and chief mine operator of the Consolidated, and Lorne Campbell, head of the Kootenay Power, an allied corporation, met in conference in Victoria, on September 22. No statement was forthcoming.

It is now generally admitted to be a fact that the company is trying to develop a large enough tonnage on the British Columbia Coast to justify establishment of a smelter on tidewater.

Coast properties now controlled by Consolidated are: Sunloch and Coast Copper, on Vancouver Island, George Copper on the Bear River, Portland Canal district and Big Missouri, Salmon River Valley, Portland Canal district.

The first three mines produce copper with some gold values. Big Missouri is a silver-gold proposition.

At the George, double crews sent up from Trail are working day and night, and plans have been completed for the main tunnel which is to be driven from the river level, getting depth on the large body of low-grade upon which "Billy" George and associates have worked for years.

A townsite along the river has been staked by the company for the mill and other plants and the dwellings of the men who will operate the mine.

Two Consolidated engineers are at the Big Missouri laying out work.

PLATINUM PLACER IS NOW FINANCED

Calgary Men Provide Funds to Operate B. C. Group

By Staff Correspondent.

CALGARY, Alta.—Most valuable platinum deposit in Canada is to be developed. The Tulameen Gold and Platinum Recovery Co., has completed its re-organization and is now operating under a Dominion charter with three directors from Calgary added to the board, G. V. Tupper, L. A. Tupper, and H. S. Price.

Calgary funds have been provided to place a recovery plant and a Marion shovel on the property near Princeton, B.C.

The plant has already reached the property and the shovel is due to arrive before Oct. 1st.

The development to date has proved up over three million cubic yards of gravel, yielding over two dollars per yard and nothing larger than man-sized boulders were encountered in any shafts or trenches.

There has been expended by the company in investigation before production was attempted, over $50,000.

MOVE GROZELLE OFFICE

A meeting of Grozelle Kirkland will be held in Toronto at the end of this week and it is the intention to move the head office to Toronto. It will be at 1014 Metropolitan Bldg. M. C. Cowan is to be the new secretary-treasurer.

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SEES PROSPERITY IN MINES STRETCHING ACROSS DOMINION

I. W. Solloway Returns From Coast Trip Full of Optimism

"I am very optimistic about the future of mining in Canada, not only in Quebec and Ontario, but in Manitoba, Saskatchewan and British Columbia, and believe that in the Turner Valley oil field of Alberta, that that province has as rich an asset in petroleum as Ontario has in gold, and Quebec in copper and asbestos," said I. W. Sollaway. of Sollaway Mills Co., on his return from a visit to the West. He added:

"During the past year the rich mining districts in Quebec and Ontario have earned the well-deserved increased attention and market participation of a rapidly increasing clientele of shrewd business men and women in Canada, the United States and Great Britain. The Central Manitoba field has also been watched very keenly. Of these favorably known districts the future is assured. I believe many new mines will be developed in North Western Quebec, North Western Ontario, and Central Manitoba, in the course of the next few years.

Looking westward to British Columbia, the picture of the future of the mining industry is equally as bright as for Central Canada. As in the East, the stability and success of mining in the province of the setting sun lies in the baser metals. The copper production alone in British Columbia for 1926 exceeded that of coal by $700,000.

"Since 1921 the population and prosperity of the Pacific Coast states, south of British Columbia, have greatly increased. These factors have exerted, and will continue to exert, an active influence on the development of the rich natural resources of Canada's Pacific province. British Columbia has at her door, practically a new market upon which to draw money for the development of her mines and the production of her timber areas.

"Western financial men have approached me to secure a private wire from Vancouver to Toronto, so that the people of the West may deal in Eastern mining securities, and the people of the east in those of the west. This is just another way to help make a Canada with non-divergent views and interests. In my opinion it will not be long before the facilities of Eastern market trading will be available for Westerners, and when Easterners will freely share in the support of worthy new industries of the West.

"I predict good times for Canada during the next five years, and believe the optimists will make all the money. Canada is not only rich in natural resources and material assets, but also in humanity. Her men and women are the finest in the world to-day."

Kootenay Florence Co. is After Adjoining Group

"It is rumored that the Kootenay-Florence, which is an important mine near Ainsworth in the West Kootenays, is negotiating for control of the adjoining Lake Shore property. It is known that interests from Boston, representing the Lake Shore have been in conference with certain Toronto interests relative to this merger, and it would not be surprising if these two well known properties combine their efforts.

"It is understood that the examination being made by H. C. Wilmot, has this purpose behind it."

NEW MINING EDITOR

Arthur W. Allen, a mining engineer of wide experience, and specialist in wet processing of ore and other raw materials, has been appointed editor of Engineering and Mining Journal, New York. He was formerly associated with the paper.

B.C. Mine Dividends, 1926, Equal All Other Industries

Dividends from mines in British Columbia in 1926 equalled the combined dividends accruing from all industries in the province, says Western Canada Mining News. The dividends totalled $9,747,270, but this does not represent the total net profits. In nearly all cases, substantial sums were set aside from profits to the credit of surplus and reserve accounts. Several companies made substantial profits in 1926, but did not declare dividends.

The big dividend payers were Consolidated M. & S. Co., $5,234,700; Premier, $1,600,437; Howe Sound, $1,-500; Silversmith, $200,000; Crow's Nest Pass Coal, $372,000.

While Granby has got on the dividend list again, it did not figure in last year's list, but should be a consistent payer for a long time. It has already paid dividends, however, of $10,029,387.

Howe Sound Copper, with the big Britannia mine at the head of Howe Sound and properties also in Mexico, paid dividends in 1919-20-21 and also from 1923 to the present time. Its operation at Britannia is one of the prides of the province. Britannia Mines is given the credit of being the largest copper mine in the British Empire.

The records of the Premier and Consolidated have been factors in bringing British Columbia into the forefront of Canadian provinces, as far as mining is concerned, and has brought it into first place in regard to silver production.

TRAIL'S OUTPUT NOW VERY LARGE

Production is 400 Tons Lead, 270 Zinc, 60 Copper—With Precious Metals

TRAIL.—The smelter and refineries of the Consolidated Mining & Smelting Co. are producing 400 tons of lead, 270 to 280 tons of zinc, sixty tons of refined copper and 20,000 ounces of silver daily, according to B. H. Stimmel, superintendent of the zinc plant. In addition, it is producing 2,500 ounces of gold monthly, he told the North-west Mining Association and the mining bureau at a joint luncheon in Spokane.

The Trail plants provide employment for 2,500 to 2,800 men. Most of the ore is supplied by the Sullivan mine at Kimberley, but a large volume is received from customers operating in the Slocan division, he said.

Mr. Stimmel referred to the recent visits of the American Electro-Chemical Society and of the Empire Congress to British Columbia. The Empire Congress was comprised of 300 persons from many parts of the British Empire. Among them were sixty-five engineers from South Africa, six or more from Australia, one or more from India and the remainder from Eastern Canada.

"The boundary line does not make any difference in the metals," said Mr. Stimmel. "The visit of these men was a complimentary tribute to the Northwest and a benefit to the industry on both sides of the line. It indicates the increase of interest abroad in this part of the world."

WINDFALL MINES MANAGER

Fred. Passow, late of Eustis Copper Corporation at Eustis, P.Q., has signed a contract with Windfall Rouyn Mines to assume management of their development work in Clericy, P.Q., where recent important finds were made by Jas. Davis. Camps are being erected, a compressor and complete mining equipment is being rushed to the property, and Mr. Passow will immediately take charge. Stewart Troop, E.M., is also consulting for the company.

Mining Inquiries

Beurque Red Lake

Do you know anything about Beurque Red Lake, with property near Dome?

Beurque Red Lake Development has property in the Red Lake Camp which is located some 400 miles west of the Dome Mines. Evidently, some one has mixed it up with the property of the Howey Red Lake which was for awhile under option to Dome Mines. We would regard Beurque Red Lake as an attractive speculation.

Some Unattractive

I hold Nipissing. Am recommended to buy Dom. Lead and Precious Metals. What do you think?

Your Nipissing shares have attractive possibilities. In regard to North America Lead and Precious metals, as traded in on the Montreal curb, we don't think you should take them very seriously. There are many issues traded in on the Montreal curb that we do not like.

International Nickel

I see there is talk of a new nickel company. Will it hit the present operators? One paper says Nickel will sell back to $50. Do you think so?

I think it will take considerable time before any new nickel operation will have any effect on the market position of International or Mond Nickel Company. Where the paper got the information that nickel would sell at $50, we don't know, but we doubt it. The stock is very strong this week, around 70 and while it may have minor fluctuations, we think that you will find that the tendency of the market for nickel shares for the next year or so will be steadily upwards. If you buy Nickel at around these prices, just ignore the market fluctuations and look at it from the standpoint of a long pull. We don't think that you can help but make money.

Bush Consolidated

What do you know about Bush Cons.? Are they making a mining effort?

Bush Consolidated sizes up as quite an attractive speculation. The operation is in good hands, likewise the finances. The property is well located adjoining Premier and its large new holdings in B C. and National Silver and on the north it almost borders on Big Missouri recently acquired by Consolidated Smelters of Canada. An intelligent mining operation is being carried on and we should judge that a speculator will get a good run for his money with possibilities of large profits.

Dalhousie Oil

I hold a block of Dalhousie costing much above the market to-day. Would I sell?

We thing you would be foolish to sell your Dalhousie oil stock. Turner Valley field in Alberta never looked so attractive, and the only reason the stocks are not selling much higher is, that the interest so far in the Alberta fields has been confined principally to the prairies, and the large speculators both East and West have not seriously taken hold of the market as yet. Dalhousie, which you are undoubtedly aware, is a subsidiary of The Imperial Oil and has large possibilities.

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LOW METAL PRICES REDUCE EARNINGS OF HOWE SOUND

Company Has Not Done so Well—Dividend is Earned

Earnings of Howe Sound Co. for the current year will not be as good as 1926, when company reported $5.44 a share on 496,038 shares outstanding. In the first half of this year revenues were equal to $2.39 a share, or at an annual rate of $4.78. Stock is paying $4 a share in annual dividends.

While it had been anticipated results for the third quarter would be about equal to those of the preceding three months, it is now generally believed earnings will not be as good as first expected. In second quarter company reported $1.22 a share, compared with $1.17 in first three months and $1.36 in the final quarter of last year.

Lower metal prices have been factors reducing revenues this year. However, present indications are improvement will come in copper, and, if this develops, it is possible the company will make a more favorable showing in the last quarter.

Some offset to lower metal prices have been made through slight cost reduction, but the programme of the management in this connection has not been completed and it will be some months before costs will be down to the basis hoped for.

Company is not only affected by copper price but, as it produces lead, zinc and silver also, lack of demand and low quotations for both lead and zinc have been influences in recent months.

Authorities on all metals are looking forward for a better demand in the near future and any spurt in buying should be accompanied by a moderate upturn in prices, so, Howe Sound will benefit in a material way from such a change.

Development work of the company has indicated promising progress in opening new ore bodies, both at the properties in British Columbia and Mexico, so, at end of current year, there should be a substantial increase in ore reserves to lengthen life of the property.

At present, company is producing about 3,000,000 lbs. of copper per month in its Britannia mine zone, British Columbia, while in Mexico the output has been running at an average of somewhat better than 225,000 ounces of silver, 5,500,000 lbs. of lead and 5,100,000 lbs. of zinc monthly.

The foregoing figures indicate conclusively the company's earnings are effected by recent reductions in lead prices. The reason output at all properties has not been increased is explained by the fact larger production would mean the company's resources were being sacrificed at prices below what might be considered normal at this time.

It is not probable, the management, under prevailing circumstances, will order production expansion in the near future. Were conditions favorable enough to justify speeding up output, however, the company could easily increase its production of all metals.

Georgia River Mines Gets Spectacular Ore

Bush Consolidated Mines which owns one quarter interest in Georgia River Gold Mines, Georgia River Section of Portland Canal, has received a wire telling them that assays made on Georgia River Gold Mines, new ore body taken across from four to six feet extending 800 feet along the strike run $35, $68, $175, $185, $178, $142, and $145 per ton. Three assays have more than eight ounces of gold, two assays seven ounces gold and the balance is silver. Large samples of massive quartz show no visible gold, and it is evidently a strong deep-seated ore body.

Trail Company to Pay 20% Stock Dividend

Associated Mining and Milling Co., Trail, B.C., have declared a stock dividend of 20 per cent. The company is operating in Ginols Landing area, Kootenay Lake. Recently it was deciced to increase the capital from $100,000 to $400,000 and to give 20,000 shares to the old shareholders, and put 280,000 of the new shares in the treasury.

Assessment work carried on all summer has, according to W. Frampton, president and field manager, proven the worth of the several claims, and ore bins are now being built and silver-lead stacked for shipment.

The company will be a regular shipper after the New Year.

Will Diamond Drill the Wiltsey-Coghlan

During the visit of the Empire Mining Congress to Rouyn on the 25th inst., H. S. Denny, C.B.E., and his brother, Geo. A. Denny, took occasion to visit the property of Wiltsey-Coghlan Mines, a subsidiary of Mentor Exploration, and to examine the workings on this ground and the geological formation which had so far been obtained. He wired that the geophysical survey first by variometer and second by electrical method definitely indicates several very favorable areas. Recent stripping work has exposed most important brecciated zone, exactly similar to Horne, well mineralized and containing small percentage of copper. This new discovery is most important yet made. The geological conditions show striking similarity to the Horne in every respect. Geo. A. Denny, after examining the Horne and Wiltsey-Coghlan states emphatically that conditions are identical and considers prospects for finding massive ore excellent. Confident that commercial ore will be disclosed by drilling.

As it is now considered that all the evidence necessary to justify a diamond drilling campaign has been obtained, arrangements will at once be completed for this work to be commenced immediately.

COAL CO. CHARTER CANCELLED

Charter of British Colonial coal mines is cancelled as of Oct. 3, says Ontario Gazette. Company was incorporated Jan. 12, 1922, to operate a coal prospect in Sudbury basin.

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Marcy Grinding principles apply to all types of Marcy Rod Mills: 1—Thick pulp; 2—Rapid change of mill content; 3—Continuous discharge through the large discharge opening.

The following are some recent orders for Marcy Open-End Rod Mills in Canada:

Primary grinding in the new Teck-Hughes milling plant will be done by a 4 x 10 Marcy Rod Mill.

A 4 x 8 foot Marcy Rod Mill will grind to 10 mesh for concentration upon Wilfley Tables in the new Canadian-Lorrain plant.

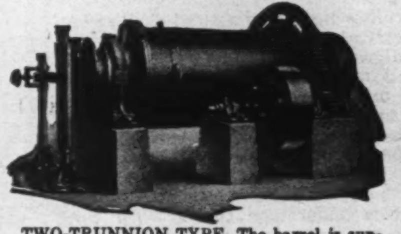
The Sylvanite Gold Mines, Limited, have purchased a 5 x 10 Marcy Rod Mill for grinding ahead of tube mills.

Hollinger Consolidated Gold Mines have added three 7 x 15 foot mills, thus bringing their total of Marcy Rod Mills up to eight.

Rod grinding with Marcy Mills is being demonstrated all over the Dominion as efficient and economical.

MARCY ROD MILLS ARE MADE IN SEVERAL TYPES AND MANY SIZES

TWO-TIRE TYPE. Runs on four compensating rollers, faces of rollers and tires being of rolled steel, accurately machined.



TWO-TRUNNION TYPE. The barrel is supported on two trunnion bearings having removable babbitt bushings. This type built up to 5 ft. in diameter.

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MARCY ROD MILLS
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WILFLEY PUMPS
FALK GEARS
TELSMITH CRUSHERS
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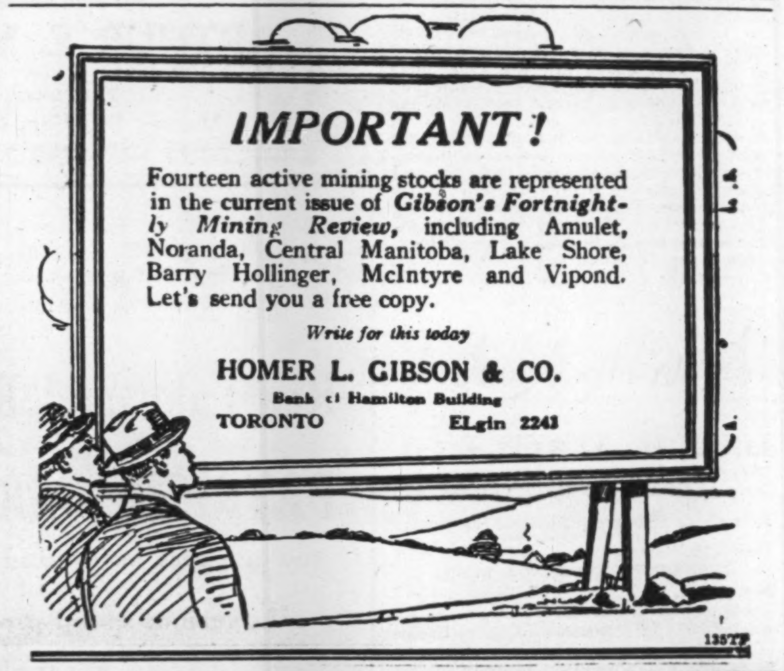

IMPORTANT!
Fourteen active mining stocks are represented in the current issue of *Gibson's Fortnightly Mining Review,* including Amulet, Noranda, Central Manitoba, Lake Shore, Barry Hollinger, McIntyre and Vipond. Let's send you a free copy.
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This company is surrounded by The Clericy Mines, Copper Hill Mines and Harvie-Archean, operating in Clericy and Dufresnoy Townships.

All geology and progress reports on these properties are distinctly favorable to The Frontenac Copper Mines, Limited.

These companies are all actively traded in on the various exchanges at prices greatly in excess of this offering.

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ABANA ORE RUNS $38 TON IN DRIFT ON 308-FT. LEVEL

President and Other Officials on Visit to the Property

President Savard, Vice-President Rochester and Chas. Spearman, consulting engineer are on their way to inspect the Abana property in Northwestern Quebec. The property lies to the north of the Transcontinental Railway, just inside the Ontario boundary. From the railway, there is about a 15 mile drive and then an eight mile hike.

Work on the property is centring around the 300-ft. level. The vein was recently cut at this horizon and showed a width of around 40-ft. Drifting was carried on for a distance of 100-ft. and was showing strong in both faces when this report came out. Official information has not come out in regard the assays but our understanding is that the average for the 100-ft. of the vein opened was $38 per ton.

Recently a report was published that there was $60,000,000 ore indicated on Abana down to the 300-ft. level. This is a little optimistic, as the property has not been opened sufficiently to allow for an estimate of indicated ore. Whenever the shaft has been sunk and the property opened on the 100, 200 and 300-ft. level, the width of the ore body and the values, are known and have shown remarkable consistency.

The property was rather extensively diamond drilled before underground development was undertaken and this drilling indicated a body of great length in a strong shear zone. To the north of this are two similar shear zones that have been hardly touched as yet.

Following the diamond drilling an electrical survey was made by the Radiore Co. of Los Angeles and checking this report by the shaft sinking and lateral development and diamond drilling, it has been accepted as showing a length of ore well over 2,000-ft. Engineers are agreed that the deposit is deep-seated and this is the basis of many optimistic reports.

It is understood that a New York group recently took an interest in the operation, following a report of their engineers and that they have undertaken to form a pool to purchase the stock. It is said that this pool was responsible for putting the stock to above the $4 mark during the past week.

CENTRAL MANITOBA HAS ONE ORE SHOOT 1,200 FEET LONG

(Continued from page 61)

So far as is known at present, the wide and high-grade quartz has not continued to this depth. One branch of it, 2-ft. wide, and assaying over $30 per ton, has been followed by a small winze below the 60ft. level, and it is the intention this winter to continue the exploration of this and some parallel shear zones known at surface by means of exploratory drifting, crosscutting and diamond drilling at and from the 140-ft. level, for which purpose the Tene 6 Prospect Shaft has been sunk to this latter depth.

The Rogers section, which is 500-ft. southeast of the Tene 6, has shown considerable improvement over surface showings, which latter disclosed for a length of 80-feet a narrow vein carrying occasional high-grade assays. A prospect shaft has now been sunk for 100-ft., following the lode, and at this depth it has been drifted upon for about 230-ft. to date. The lode has widened and strengthened considerably, and carries ore of stoping grade over the entire length developed. Although it is too early yet to say what importance should be attached to this interesting discovery, it is one which calls for additional development, and this will be undertaken in due course.

Mill Kitchener Ore

Until development of these eastern shoots has sufficiently advanced to permit the location of some centrally situated working shaft to exploit them to the best advantage, it is proposed to defer the construction of an aerial ropeway from these eastern sources of ore supply to the company's mill, which is on the Kitchener property. The mill will, therefore, be working for the first year, at least, on Kitchener ore without the benefit of the higher grade ore in the Tene 6 section, which will remain for utilization at a later date.

Messrs. Taylor and Pryor state that they were pleased with the general appearance and prospects of the mine, and struck by the amount of work which has been accomplished in a relatively short period of time, and by the way in which summer transport facilities have been improved. They point out that in a new district such as this, where the habits of the ore shoots have to be learned, extensive development work is required, and this will often have to pass through unproductive ground. The experience gained in the winze below the Kitchener 375-ft. level west, and in the workings on the Rogers vein, where in both cases better ore has been found underground than above, leads them to the view that the surface indications, promising though they are, by no means exhaust the potentialities of this property.

"A Question of Pull"

A farmer brings in a tractor to haul his farming equipment. He pays no duty or sales tax.

A lumber operator brings in a locomotive to haul his lumbering equipment and products in the bush. He pays 20 per cent. duty but no sales tax.

A mine brings in a small locomotive—they are not made in Canada according to Ontario Mining Association—for hauling its equipment and ore underground and it pays 35 per cent. duty and sales tax.

MIKADO CHANGES NAME

Mikado-Bullion Mines, Ontario, has changed its name to Bag Bay Mines.

Ostrom Gold Shaft Now Down 325-ft.

Continuing the programme outlined in the annual report, Ostrom Gold Mines' power house has been completed and the equipment installed, consisting of two 60 horse power boilers, 5 drill compressor and 10 x 12 hoist and accessories, also head frame, water supply and fully equipped blacksmith shop. The whole plant is working smoothly and efficiently and has a capacity for development to a depth of at least 1,200 feet.

The shaft is now down to a depth of over 325 feet and is being carried down at the rate of 100 feet per month, working three shifts a day. For the first 70 feet the vein was the full width of the shaft. From there down it has been in and out of the shaft. At the 260 feet level 2½ feet of the hanging wall was in the shaft and at every point on the way down where the vein was encountered it showed improvement with depth in mineralization, geology and formation. We have not attempted to take assays, as only a portion of the vein was exposed.

A leading station with shift drifts was cut at the 200 feet level and the next station will be cut at the 350 feet level, and when the 500 feet level is reached we intend to do the first drifting on the veins.

In the winter a supply of 450 cords of wood was cut and wood cutting has recently been resumed. About 40 acres around the power plant and offices has been cleared to prevent fire risk.

A new cookery and bunk house is nearing completion, which is nearer the shaft and will add greatly to the comfort of the miners, who are now partly housed in tents. In the new office building, accommodation has been provided for eight or ten and your directors would welcome a visit from any of the shareholders at any time.

ATTORNEY GENERAL CHASING PARASITES OUT OF ONTARIO

(Continued from page 61)

bandits. A company may receive a wire offering so much for its treasury stock. The temptation is to accept the offer—and then the fat is in the fire. The company usually has made no provision to control the price at which these shares are sold or to control the statements which are made about it. When the exposure comes the company is discredited as well as those connected with it.

But anyone who has had his eyes open for the last few years, should be able to "spot" the high pressure organization. They frequently have no financial standing, although sometimes a bankroll may be flashed through a bank to prove that there is cash behind the effort.

Every day the officers of Ontario mining companies are receiving offers for refinancing. They have become canny. It is doubtful if any worthwhile mining venture needs to turn to this sort of "American capital" and to some extent the fate of the industry is bound up in the success of the Attorney General's Department in watching for traces of these swindling attempts and in scotching the serpent the moment it shows its head.

Ontario mining is getting on a much higher plane. Scandals such as would have developed had "the master mind's" crews been permitted to prey in this field would do the business incalculable injury. The native Canadian, as a rule is not built that way. He may become over-enthusiastic and sometimes greedy but he does not go far if he is simply out to "gyp" the public on the strength of the great strides made by the industry for which men have given their lives in fire and stream, and behind which is as honorable and intelligent a class of men as can be found anywhere.

Ontario welcomes American capital. To the American high-binder it says "Keep Out at Your Peril." And the high-binder might just as well take the needle out of his arm and confine his operations to the night clubs of the Big Flash Town.

B. C. MINING STOCKS

VANCOUVER. — Premier Gold is quoted at $2.28 to $2.30 on the Vancouver Stock Exchange. The market is strong and active. Premier Dunwell and Big Missouri are in good demand. Other issues are firm. Additional quotes are:

	Bid	Ask
Dunwell Mines	26	26 27½
Lucky Jim	27¾	29
Home Oil	2.25	2.45

MINING STOCK QUOTATIONS
Week Ending Sept. 27

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Sept. 27	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	....	....	....	....	....	....	4.05	.20
Aconda	1	....	....	32	25¼	26	264550	....	....	45	14½
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Amal. Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	7.10	6.00	6.55	634828	2.89	.90	7.10	.85
Algonquin	1	....	....	2⅛	2	2½	15380	6¼	1½	5½	2
Apex	1	....	....	2	2	2	1000	6	2¼	3½	1
Area	1	....	....	.73	.59	.61	273915	1.55	.21	1.95	.23
Argo. Con.	1	....	....	46	35	40¾	296133	67	18½	59	25
Atlas	1	....	....	4½	3½	3½	49200	5	1⅞	7	2
Archean	.	....	....	....	....	....	....	....	....	18	17
Ajax Oil	1	....	....	27	15	27	16000	....	....	44	6½
Afton	.	....	....	....	....	....	....	....	....	1.08	1.00
Amity C.	.	....	....	26	25	25	10800	....	....	26	25
Bard	.	....	....	....	....	....	....	....	....	1.59	.25
Baldwin	1	....	....	3	2½	2¾	44000	6⅞	1	4¾	1
Barry Holl.	1	....	....	85	67	83½	786787	1.00	.21	1.00	.25
Beaver	1	....	....	1.75	1.65	1.75	53367	.99	.51	1.77	.61
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	3
Bidgood	.	....	....	40½	33	38¾	344550	9⅞	4½	40½	5
Boischatel	None	....	....	5¼	4½	5	35000	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	¾	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	5	4	4	18400	7¼	2	9½	3
Bunker H.	10	....	....	....	....	....	....	....	....	104½	75¾
Brit. Unit	.	....	....	....	....	....	....	....	....	88	76
Copper Sul.	.	....	....	....	....	....	....	....	....	1.00	1.00
Coast Copper	5	....	....	16.00	16.00	16.00	40	....	....	22.00	9.75
Can. Lorrain	1	....	....	14	13	13	16190	93	57	72	10
Capitol S.	1	....	....	16	15	15	19100	48½	24	34	15
Capitol R.	.	....	....	19	16½	17	164220	43	26	54½	10
Cen. Manitoba	1	....	....	1.95	1.77	1.85	61060	....	....	2.10	1.07
Castle Tre.	1	....	....	71	69	70	25600	1.85	.91	1.27	.61
Chaput H.	1	....	....	12	10	11	42450	22	3⅛	13¾	4⅜
Clifton	1	....	....	....	....	....	....	6½	1	3½	½
Col. Kirk	1	....	....	3½	3	3½	150100	6¼	2	6	1½
Coniagas	5	....	....	4.85	4.75	4.75	297	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	4.10	3.80	4.00	2145	4.60	3.00	4.30	2.80
Cons. Smelter	25	10+5	1.02	248½	233	242	10086	265	177¼	264	215
C. W. Dome	1	....	....	8	5½	5½	6042	29¼	14	19	4
Corona	1	....	....	18½	15½	16¾	447175	37½	20	37	10
Copper Hill	1	....	....	....	....	....	....	....	....	62½	47
Comm. Mines	.	....	....	....	....	....	....	....	....	1.50	.71
Crown Res. (new)	.	....	....	44	42	42	16613	....	....	45	40
C. American	.	....	....	....	....	....	....	....	....	1.30	1.25
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	42	25
Dorion	1	....	....	....	....	....	....	....	....	4.00	1.02
Dome Mines	None	$1	9.00	11.50	9.70	11.10	31435	20.00	8.00	11.50	6.75
Don Rouyn	1	....	....	25	23	25	7500	61	25	56½	17½
Dupuy	1	....	....	77	70	71	66225	....	....	77	9
Duprat	1	....	....	6	6	6	4000	35½	8½	34½	5½
Dubec	.	....	....	....	....	....	....	....	....	1.48	.35
Dom. Lead	.	....	....	....	....	....	....	....	....	1.73	1.05
D. Kirk	1	....	....	9	8	8½	70200	....	....	11½	1½
Duprat (new)	.	....	....	13½	12	12½	255140	....	....	21	11
Dunwell	1	....	....	....	....	....	....	....	....	1.51	1.50
Eastern Metal	1	....	....	....	....	....	....	....	....	18.25	10.00
Everett	1	....	....	2	2	2	2000	12¼	3¼	5½	1¼
East. Que.	.	....	....	....	....	....	....	....	....	2.75	2.00
Fiske	1	....	....	....	....	....	....	....	....	30½	5
Fisher, Que.	1	....	....	....	....	....	....	....	....	2.20	.50
Goldale	1	....	....	33½	32	33	40300	43	24	35	20
Gold Hill	1	....	....	32	28½	28¾	141000	73½	25	54	22
Gold Reef	1	....	....	1¼	1¼	1¼	1000	5	1	2½	½
Gifford	1	....	....	....	....	....	....	....	....	1¼	1
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Grover Daley	1	....	....	24½	17½	18	419000	32	18	37	8
Gold Ore	.	....	....	....	....	....	....	....	....	2.45	.90
Granada Rouyn	.	....	....	22	16	17	99450	....	....	23	16
Harvie Exp.	None	....	....	13.00	12.00	12.50	1404	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.43	....	....	....	....	83	79½	87	83¼
Haultain	.	....	....	....	....	....	....	....	....	15	14
Hill Top	1	....	....	11	9½	10½	39850	31¼	20	24	6¼
Hollinger	5	26	7.66	17.80	16.85	16.95	12182	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	1.00	.94	.96	84950	....	....	1.05	.42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Jackson M.	.	....	....	45½	37	40	87800	....	....	45½	37
Indian	1	....	....	9	7½	8	1800	14½	2¼	12	4
Int. Nickel, c.	25	$2	2.85	73	67¼	70½	89843	46	32¼	75	38
Jay Copper	1	....	....	....	....	....	....	1.10	.73	1.26	.30
Keeley	1	24	30.00	80	78	79	5875	1.90	1.39	1.66	.70
Keora Mines	1	....	....	4	3	3⅛	9600	22	11	13½	2
Kirk. Hunt	1	....	....	23	18½	20	225050	34	8½	35	10
Kirk. Lake	1	....	....	2.40	2.11	2.38	198125	1.44	.69	2.55	.82
Kamisko	.	....	....	....	....	....	....	....	....	10.75	7.62
Kamiskotia R.	.	....	....	....	....	....	....	....	....	10.80	10.25
Kirk, G.B.	1	....	....	....	....	....	....	....	....	1.29	.75
Lake Shore	1	40+10	1.90	26.90	24.95	26.75	15275	16.15	9.50	26.90	15.40
Lakeside L.	1	....	....	1¼	1	1	28000	10	1⅛	6	¾
Laval	1	....	....	50	42	44	270201	45¾	21	59	19½
La Rose	1	....	....	....	....	....	....	39	4	12	3
Lorrain, C.	1	....	....	1¼	1¼	1¼	500	15	2	3¼	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Lucky Jim	.	....	....	....	....	....	....	....	....	21	20
Laurier	.	....	....	....	....	....	....	....	....	65	51
Mentor	10	....	....	....	....	....	....	....	....	12.60	12.00
McDougall	.	....	....	81	70	75	113250	....	....	88	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
M'tchatell	.	....	....	....	....	....	....	....	....	42	23
Macassa	1	....	....	31½	30	30	14400	43	22	37	18
McKinley	1	....	....	25½	15½	17	59250	26	8½	25½	11
McIntyre	5	20	3.60	28.25	26.70	28.25	19415	29.75	22.70	28.25	24.00
Millcrest	1	....	....	4	3	3	7500	21½	3½	6½	3
Mining Corp.	5	25	....	3.15	3.05	3.05	9313	4.45	2.60	3.65	2.90
Moneta	1	....	....	13¼	13	13	1000	18	11	15½	8¾
Montreal Rouyn	1	....	....	20	18	19	3000	60	13	33	10
Marriott	.	....	....	41	35	40½	48250	....	....	41	35
Malartic	.	....	....	30	23½	23½	42500	....	....	30	23½
N. A. Dev.	.	....	....	....	....	....	....	....	....	2.10	.30
N. A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Noranda	None	....	....	25.15	24.50	25.00	42900	24.75	12.00	25.15	19.95
Newray	1	....	....	46	38	38	6000	45	31	46	28
Night Hawk	1	....	....	8	5	7	25700	17	3¼	10½	4½
Nipissing	5	6	4.20	7.60	6.20	7.05	46224	9.25	4.95	10.30	5.25
Ophir	.	....	....	2	2	2	1000	4¼	½	4⅜	¼
Ontario L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	.45	.39	.42	12950	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	5	4	4	6500	32	14½	18	2
Porc. Crown	1	....	....	8½	6	7	13100	12	4	11	3
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Pioneer	.	....	....	.72	.60	.66	142500	1.22	.66	1.18	.53
Premier Gold	1	32c	14.20	2.31	2.25	2.25	10550	2.75	1.83	2.50	1.86
Preston	1	....	....	5	4	4	6600	9⅞	4	7	3
Potter Doal	None	....	....	16	14	15	324600	....	....	65	10½
Power & Mines	.	....	....	....	....	....	....	....	....	1.70	.75
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn	1	....	....	4¼	3	4	97200	9	1⅞	5	1
Rouyn, Que.	1	....	....	....	....	....	....	4½	1¼	4⅜	1
Ribago	1	....	....	38	34½	35½	90950	....	....	87	13
Rouyn K.	.	....	....	....	....	....	....	....	....	1.10	.73
Rubec	.	....	....	....	....	....	....	....	....	2.80	1.10
South Keora	1	....	....	....	....	....	....	35½	5	54½	4½
Stadacona	None	....	....	30	23	25	499714	51	40	55	15
St. Anthony	1	....	....	37½	36	36	11700	....	....	50	16
Sylvanite	1	....	....	4.75	4.42	4.75	25192	....	....	4.75	2.60
Siscoe	1	....	....	....	....	....	....	....	....	60	12
Sud. Basin	.	....	....	4.00	4.00	4.00	200	....	....	4.00	4.00
Teck Hughes	1	10	1.00	10.00	9.30	9.98	122513	5.55	2.65	10.00	5.15
Timiskaming	1	....	....	....	....	....	....	15¼	6	7	4
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	37	30	31	144550	66	36	62½	25
Towagmac	1	....	....	4.85	4.60	4.77	42843	6.10	3.15	5.75	2.85
United Cap	.	....	....	....	....	....	....	....	....	5.32	3.00
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Trojan	.	....	....	....	....	....	....	....	....	8.60	4.00
Vic. Silver	1	....	....	2½	2½	2½	1000	96	3½	14	2½
Vickers	1	....	....	.80	.75	.75	11500	1.20	....	1.52	.25
Vipond	1	....	....	.69	.61	.61½	54850	2.02	1.49	1.75	.51
Wakenda	1	....	....	2	2	2	2000	2¾	....	5	1
Wasapika	1	....	....	1½	1½	1½	4000	....	....	4	1
West Tree	1	....	....	3	2	3	21000	....	....	4	1
Wettlaufer	1	....	....	....	....	....	....	10	2	4½	¼
Wright Har.	None	20c	2.57	8.00	7.25	7.76	85007	....	....	8.00	5.50
Vac. Gas	1	....	....	7	5	7	7000	....	....	26	5
West Dome Lake	1	....	....	10½	10	10½	21250	....	....	13½	18
Wiltsey C.	1	....	....	50	50	50	1250	....	....	51	50

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